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SESSION 1945
HOUSE OF COMMONS

34

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

[and
reports]

No. 1

Tuesday, October 9, 1945

Thursday, October 11, 1945

Friday, October 12, 1945

WITNESS:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945





ORDERS OF REFERENCE

HOUSE OF COMMONS,

THURSDAY, 4th October, 1945.

Resolved, That a Select Committee be appointed,

1. To consider all legislation passed since the commencement of the war with the German Reich relating to the pensions, treatment, and re-establishment of former members of His Majesty's Armed Forces and of other persons who have otherwise engaged in pursuits closely related to war;

2. To prepare and bring in one or more Bills to clarify, amend or supplement the above legislation;

That the Committee have power to send for persons, papers and records; to print its proceedings and to report from time to time to the House;

That the provisions of Section 1, Standing Order 65, be waived in respect to this Committee.

And that the said Committee shall consist of the following Members:—Messrs. Abbott, Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Bridges, Brooks, Bruce, Claxton, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Dorion, Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gibson (*Hamilton West*), Gillis, Green, Halle, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Kidd, Langlois, Lapointe, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Merritt, Mitchell, Moore, Mutch, Pearkes, Power, Probe, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Skey, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Winters and Wright.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, 9th October, 1945.

Ordered, That the said Committee be empowered to sit while the House is sitting.

Ordered, That the quorum of the said Committee be 20 members, and that Section 3 of Standing Order 65 be suspended in relation thereto.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, 9th October, 1945.

The Special Committee on Veterans Affairs begs leave to present the following as its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to sit while the House is sitting;
2. That its quorum be 20 members, and that Section 3 of Standing Order 65 be suspended in relation thereto.

All of which is respectfully submitted.

W. A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, October 9, 1945.

The Special Committee on Veterans Affairs met at 11 o'clock, a.m.

Members present: Messrs. Benidickson, Blair, Bruce, Cleaver, Cruickshank, Dorion, Fulton, Gillis, Harkness, Herridge, Isnor, Jutras, Langlois, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), Merritt, Probe, Quelch, Ross (*Souris*), Tucker, Viau, Wright.

On motion of Mr. Cleaver, seconded by Mr. Isnor, Mr. W. A. Tucker was elected Chairman.

On motion of Mr. Jutras, seconded by Mr. Benidickson, Mr. L. D. Tremblay was elected vice-chairman.

On motion of Mr. Cleaver, it was resolved that a steering committee, consisting of the following members, be appointed: the Chairman, the Vice-chairman and Messrs. Croll, Green, Brooks, Wright and Quelch.

Mr. Cruickshank moved that the Committee ask that its quorum be reduced to 20 and that Section 3 of Standing Order 65 be suspended in relation thereto.

Mr. Cleaver moved, in amendment, that 15 be substituted for 20.

After discussion, Mr. Cleaver, by leave, withdrew his amendment and Mr. Cruickshank's motion carried.

On motion of Mr. Lennard, it was resolved that the Committee ask leave to sit while the House is sitting.

Discussion followed as to the days on which the Committee would sit and it was agreed that this matter should be considered and reported upon by the steering committee.

On motion of Mr. Cleaver, it was ordered that 2,000 copies in English and 500 copies in French of the minutes and proceedings of the Committee be printed from day to day.

Mr. Mackenzie suggested that the Committee give consideration to three draft bills, which he tabled, viz.:

An Act to amend the War Service Grants Act;

An Act respecting War Veterans' Allowances;

An Act relating to Fire Fighters who served in the United Kingdom and to certain Supervisors in the Auxiliary Services.

On motion of Mr. Cleaver, it was ordered that draft bills prepared by the Department of Veterans Affairs for submission to the Committee be printed and distributed to its members.

In reply to a question by Mr. Isnor, Mr. Mackenzie assured the Committee that it was his intention to have the claims of the Merchant Marine and of all other auxiliary or attached services reviewed by the Committee.

At 11.50 o'clock a.m., the Committee adjourned until Thursday, October 11, at 10.30 o'clock, a.m.

THURSDAY, October 11, 1945.

The Special Committee on Veterans Affairs met at 10.30 a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Belzile, Benidickson, Bruce, Cleaver, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Dorion, Drope, Emmerson, Gibson (*Hamilton West*), Gillis, Green, Harkness, Herridge, Isnor, Kidd, Langlois, Lennard, Marshall, Mackenzie, Merritt, Moore, Pearkes, Probe, Quelch, Ross (*Souris*), Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Wright.

The Clerk read the minutes of the meeting held on October 9 and, on motion of Mr. Quelch, they were adopted unanimously.

The Chairman reported that the Steering Committee had met and recommended:—

1. That the Committee meet on Tuesday and Thursday of next week and on Monday, Tuesday and Thursday of each week thereafter;

2. That the Clerk furnish each of the principal veterans' organizations with a copy of the Committee's Order of Reference, and ask that any representations they wish to make be submitted with the least possible delay;

3. That the bill to amend the War Service Grants Act be considered on Tuesday next.

On motion of Mr. Gillis, the report of the Steering Committee regarding sittings of the Committee was concurred in.

On motion of Mr. Green, the report of the Steering Committee regarding inviting representations from veterans' organizations, and regarding next Tuesday's business, was concurred in.

Mr. Mackenzie presented a statement reviewing in detail the history of legislation relating to veterans from the close of the Great War.

Exhibit No. 1: Mr. Mackenzie tabled the following documents as appendices to his statement:

16. Third Report, House of Commons Committee on Reconstruction, July 20, 1942.

17. Motion by Minister of P. & N.H. February 24, 1943, for appointment by the House of Commons of a Committee on Reconstruction and Re-establishment.

18. Second Report, June 23, 1943, of the House of Commons Committee on Reconstruction.

19. Fourth Report, January 26, 1944, of the House of Commons Committee on Reconstruction.

20. Report of the Advisory Committee on Reconstruction, September 24, 1943.

20-A Report of Sub-Committee on Agricultural Policy.

20-B. Report of Sub-Committee on Natural Resources.

20-C. Report of Sub-Committee on Publicly-Financed Construction Projects.

- 20-D. Report of Sub-Committee on Housing and Community Planning.
- 20-E. Report of Sub-Committee on Post-War Employment Opportunities.
- 20-F. Report of Sub-Committee on Post-War Problems of Women.
21. P.C. 608, January 23, 1943, reconstituting Advisory Committee on Economic Policy.
22. Report of General Advisory Committee on Demobilization and Rehabilitation, September 25, 1943.
23. Prime Minister Resolution, March 3, 1943, for appointment by House of Commons of Select Committee on Social Security.
24. Report of Advisory Committee on Health Insurance.
25. Report on Social Security by Advisory Committee on Reconstruction.
26. National Physical Fitness Act.
27. Fourth Report, House of Commons Committee on Social Security, July 23, 1943.
28. P.C. 18/5610, July 15, 1943, Reinstatement of Civil Servants.
29. Joint Report on Demobilization, December 3, 1943.
30. P.C. 1218, February 7, 1941, broadening powers of Cabinet Committee on Demobilization.
31. P.C. 6874, September 2, 1941, constituting Advisory Committee on Reconstruction.
32. U.N.R.R.A. Act.
33. United Nations Mutual Aid Act.
34. National Health and Welfare Act.
35. P.C. 7993, October 14, 1944, Cabinet Committee on Reconstruction.
36. Handbook on Rehabilitation.
37. White Paper on "Employment and Income."
38. Report of Sub-Committee on Land Settlement.
39. Orders-in-Council re Veterans Insurance: P.C. 8051, October 17, 1944; P.C. 3856, May 29, 1945; P.C. 5604, August 16, 1945.
40. Recommendation re Veterans Insurance by General Advisory Committee, together with minutes of Sub-Committee.
41. Back to Civil Life.
42. What's Ahead.
43. The Veterans' Land Act, 1942 Handbook.
44. The Community and Re-establishment.
45. Dismiss—But what of a JOB?
46. Naval Rates—Their meaning for EMPLOYERS.
47. Employers Guide—An aid for employing former members of the Royal Canadian Air Force.

48. The Machinery of RE-ESTABLISHMENT.
 49. A Home on Civvy Street.
 50. The Common-Sense of Re-establishment.
 51. Reference Manual on Provincial Rehabilitation measures.
 52. How to Choose your Post-War Job.
 53. How to Start Your Own Business.
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1. Reference Manual on Rehabilitation.
 2. P.C. 2491, September 2, 1939, Pension Act applicable to current war.
 3. P.C. 3004, October 5, 1939, Treatment of Members of the Forces by Dept. Pensions and National Health.
 4. Letter from Minister of P. & N.H. to Prime Minister, Oct. 30, 1939 recommending appointment of Cabinet Committee on Re-establishment.
 5. Prime Minister's letter of November 1, 1939, in reply to above.
 6. P.C. 4068½, December 8, 1939, appointing Cabinet Committee on Demobilization and Re-establishment.
 7. P.C. 5421, October 8, 1940, appointing General Advisory Committee on Demobilization and Re-establishment.
 8. P.C. 7521, December 19, 1940, Rehabilitation Grant.
 9. P.C. 6262, November 27, 1940, establishing Rehabilitation Branch, D.P. & N.H.
 10. P.C. 7520, December 21, 1940, Committee on Canteen Funds.
 11. Letter from Minister of P. & N.H. to Prime Minister, February 12, 1941, recommending Advisory Committee on Reconstruction.
 12. Minutes of First Meeting Advisory Committee on Reconstruction, March 22, 1941.
 13. Fourth Report, House of Commons Committee on Pension Act, June 12, 1941.
 14. P.C. 74/9130, November 22, 1941, appointment of trustees for Canteen Funds.
 15. Resolution by Minister of P. & N.H. for appointment by House of Commons of a Committee on Reconstruction and Re-establishment, March 24, 1942.
- At 12.45 o'clock p.m. the Committee adjourned until Friday, October 12, at 11.00 o'clock a.m.
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FRIDAY, October 12, 1945.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Belzile, Blair, Claxton, Cleaver, Cruickshank, Dion (*Lake St. John-Roberval*), Emmerson, Fulton, Green, Harkness, Herridge, Isnor, Jutras, Langlois, Lennard, Mackenzie, Macdonald (*Halifax*), MacNaught, Quelch, Tremblay, Tucker, Whitman, Winkler.

In attendance: Mr. Walter S. Woods, Deputy Minister of Veterans Affairs.

Mr. Mackenzie concluded his review of the history of legislation relating to veterans.

At 12.50 o'clock, p.m., the Committee adjourned until Tuesday, October 16 at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 11, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, our quorum as set by the House the day before yesterday is now here.

Those of you who were here at the first meeting will remember that we decided to proceed with only twenty-three members. It was the desire of the committee to get going with the work and not have to break up and have it go out to the country that we could not get a quorum of ex-service men to start the important work of this committee. As there was no objection to this course in committee and none in the House when the committee reported to the House, I thought that meant that it met with the approval of everybody. However, you all heard what was said in the House yesterday. The Clerk of the House, Dr. Beauchesne, tells me that there is no question but that this committee is now properly constituted, and the resolution of the House stands unless proper notice is given and that decision is rescinded. Then we can start all over again. Now, Dr. Beauchesne says that if we proceed on the basis of what is already done, anything we do is quite legal. So it has been suggested in the steering committee that a record of what happened at our first meeting be laid before this committee, and if the committee is satisfied with what has happened we should proceed and thereby save the time which would be taken up in starting over. Of course, if there is objection the matter will have to be discussed.

I am absolutely in the hands of the committee. I tried to do what I thought the committee wanted done at the first meeting. I knew I was getting out on a limb, but I thought I was carrying out your wishes. Now, it is a matter for the committee to decide.

Mr. GREEN: Could we have the minutes of the first meeting read?

The CHAIRMAN: Yes.

(Minutes of first meeting read by the clerk.)

The CHAIRMAN: Now, gentlemen, you have heard the minutes read. The motion in the House covered a reduction of the quorum from thirty-one to twenty, and it covered the other point brought up in the report to the house, that the committee be given leave to sit while the house is sitting. Whether this committee is legally and duly constituted is a matter which I thought you might decide on and indicate whether or not you are satisfied.

Mr. QUELCH: I move the adoption of the minutes as read.

Mr. CROLL: I should be pleased to second that motion.

Motion agreed to unanimously.

The CHAIRMAN: Your steering committee met this morning shortly. I don't want to take up too much time but I thought I should indicate what we had in mind suggesting to the committee.

In regard to the meetings of the committee it was felt that we should try to have three meetings every week on Monday, Tuesday, and Thursday; and if

the engagements of members permit we should try to meet on Wednesdays. It was felt, however, that we should definitely meet Mondays, Tuesdays and Thursdays.

It was pointed out that many members might have engagements next Monday and for that reason next week we will sit on Tuesday and Thursday, but not on Monday. Perhaps a meeting could be arranged for Wednesday. But beginning with the following week we will sit on Monday, Tuesday and Thursday, and Wednesday if possible. I think I am stating the opinion of the steering committee in that regard. I wonder what you think about it.

Mr. WHITMAN: Mr. Chairman, I think it is a good idea to have three meetings a week, but Monday is a very bad day especially for members coming from Montreal. The Montreal train does not get in here until 11.30 o'clock in the morning and you would have to get along without the Montreal members on Monday mornings. I just wanted to point that out, that is all.

The CHAIRMAN: Are there any other comments on the proposal?

Mr. QUELCH: I move the adoption of the report of the steering committee.

Mr. JUTRAS: I would be glad to second the motion.

Motion agreed to.

The CHAIRMAN: Now, in regard to the business before the committee: The steering committee thought that the Minister's statement might call for some questions and some discussion. After that it was thought that we should proceed with the bill in regard to war service gratuities. Then the question came up of hearing representations from returned soldier organizations, and it was thought that all returned soldier organizations should be advised of the setting up of the committee and terms of reference, and asked if they wish to make representations. That was the thought of the steering committee. I had already been in touch with the Canadian Legion and they said that they would follow very closely the various bills laid before the committee and make representation from time to time. But, of course, there may be other organizations which might want to be heard.

Mr. GREEN: Mr. Chairman, I think all the returned soldier organizations, and also the widows' organizations should be asked to send in their representations just as quickly as possible. In other veterans affairs or pension committees the representations made have been most useful.

Hon. Mr. MACKENZIE: Yes.

Mr. GREEN: Mr. Chairman, many of these organizations may be ready now with their briefs and I would suggest that they be asked to send them in right away. I am sure that they will be of great help to us in our deliberations. I should also like to know whether it is the intention to submit any other draft bills. We have three.

Hon. Mr. MACKENZIE: Oh yes.

Mr. GREEN: We have the Act concerning the war services grant, the Act respecting war veterans allowances, and the Act relating to firefighters and certain supervisors in the auxiliary services. It might be helpful now if the chairman could tell us whether there are to be other draft bills submitted.

Mr. CHAIRMAN: In that regard, there are other draft bills almost ready to be submitted to the committee and we are pressing to get them in the hands of the committee for study just as quickly as we possibly can. I expect the post-discharge re-establishment bill will be in the hands of the committee any day, and the other bills will also be in the hands of the committee very shortly.

Mr. GREEN: Have you any objection to telling us what they are?

The CHAIRMAN: There is the bill covering post-discharge rehabilitation, and the orders under that; then there is the War Veterans' Allowance Act—that is already before you; then the bill on amending The Pensions Act, and a bill on

amending the Veterans' Land Act—there may be one on that, but we will discuss it anyway. And the treatment regulations, of course, will all be filed before you for consideration. They come under a departmental bill, the veterans' act itself. There may be other bills, but I think that covers it.

Mr. GREEN: Are the regulations to be put in the form of a bill?

Hon. Mr. MACKENZIE: Not necessarily, they never have been yet. They come under the departmental bill. I think they should be open for discussion here. It was felt that it would alter the general procedure for the last twenty-five or thirty years. Treatment has always been more a matter of departmental procedure.

The CHAIRMAN: The reason for suggesting that they be not put in the form of a bill is that if they were put in the form of a bill it would freeze them. They are now in the form of regulations under the Veterans' Act, but they will be filed for consideration before the committee.

I suppose we may take it that you have made a motion that the clerk of the committee advise the various veterans' organizations of the terms of reference and request them to make replies as soon as possible.

Agreed.

Mr. GREEN: There is another question I should like to ask. There was mention made in the speech from the throne of a veterans' charter. Is there to be some general bill of that type or is the idea merely to bring in a different amending act?

Hon. Mr. MACKENZIE: I wonder if I might just explain that. It was my hope and my dream at one time that we could do it in that way, but unfortunately there are other lawyers as well as my hon. friend, and they said it would not be possible to proceed in that way. What we intend to do, with the permission of this committee, is to go through all these various measures, with the recommendations of this committee, and as we dispose of them here report them at once to the House of Commons; then have them endorsed or amended by the House of Commons. Then immediately the House of Commons shall have completed its task, there will be an office consolidation of all the findings of this committee and of the House. That would be what you might call a veterans' charter. It would be one composite document of the legislation, regulations and orders in council, in statutory form for the benefit and information of all our soldiers.

Mr. GILLIS: A bill of rights.

Mr. GREEN: No, it is not a bill of rights. It is a lot of different bills which, together, are the statute.

Mr. GILLIS: It is up to this committee to make it a bill of rights.

Hon. Mr. MACKENZIE: I think it will be of great benefit to our soldiers' organizations to have everything in one book.

Mr. GILLIS: Surely.

Hon. Mr. MACKENZIE: The intention I had was that whatever the House of Commons will finally endorse should be, by the Department of Veterans Affairs, placed together so that every Legion branch, Corps branch, Army and Navy branch or Pensioners branch throughout Canada could have the whole thing before them in one place.

Mr. QUELCH: In view of the fact that we are passing legislation affecting merchant seamen, could we not get a brief from them?

Hon. Mr. MACKENZIE: Oh, yes. We are prepared, if you give us enough time, to hear representations from all these organizations.

The CHAIRMAN: Gentlemen, you have been handed out a great deal of reading material for the coming week-end. I think you will find this Reference

Manual on Rehabilitation very useful in our work. Incidentally, any changes that are made from time to time will be mailed to the various members of the committee. If there is nothing else to be dealt with, inasmuch as the minister's statement is quite long, with your permission I will now call on him.

Mr. GREEN: There is one other thing, Mr. Chairman. Which bill are you planning to start off with?

The CHAIRMAN: With war veterans' credits.

Hon. Mr. MACKENZIE: Yes, credits.

The CHAIRMAN: Re-establishment credits. That will be on Tuesday next. With your permission, gentlemen, I will call on the Minister of Veterans Affairs, Hon. Ian Mackenzie.

Hon. Mr. MACKENZIE: Mr. Chairman, and gentlemen, in moving for the appointment of this select committee of ex-service members of the House of Commons, I fulfilled a pledge which I have repeatedly made, that at the end of the war there would be a review by a parliamentary committee of all our legislation for veterans.

There are, in my opinion, two principal tasks before this committee, and they will entail a great deal of concentrated work.

The first is the general review of the state of present legislation and of its administration which has been promised repeatedly.

The second is the enactment, or perhaps I should say—re-enactment, of a large number of measures adopted during the war by or in council under the authority of the War Measures Act.

It is thought that this committee might derive some advantage if, at the outset of its deliberations, a review of the history of pensions and rehabilitation legislation following the former war were placed on the record. Following this, I shall endeavour to inform the committee of what has been done since the outbreak of the present war in 1939.

Interesting parallels and a number of important differences in experience will be observed—all of them instructive in relation to the responsibilities of the present committee.

Parliamentary committees such as this played a notable part in the development of legislation for veterans of the war 1914-18, as they have with respect to the program in effect for veterans of the present war. On reviewing the record, I find that, prior to the outbreak of the present war, veteran legislation was reviewed by committees of the House of Commons on no fewer than twelve occasions. The first such committee sat in 1916. Similar committees sat each year until 1922 and thereafter in 1924, 1928, 1930, 1933 and 1936.

The pension and rehabilitation program for the veterans of the first world war was developed in the face of vastly greater difficulties than confront us today. When war broke in 1914, pension was a part of the army pay and allowance regulations, and awards were made by army officers. We had no pension act, no military or veterans hospitals, no department of government with special responsibility for veterans. We had no experience, no legislation and no administrative organization. Nor were there precedents to guide the legislators of those days. This was the world's first experience of total war, when the nation's entire young manhood was mobilized. The re-establishment and reconstruction problems were vastly different from those relating to the demobilization of the comparatively small armies of former wars.

It is greatly to Canada's credit that the program for ex-service men adopted at the close of the war of 1914-18 was recognized throughout the world as the most enlightened and advanced that had ever been undertaken by any nation. Today with the advantage of hindsight we are conscious of its numerous im-

perfections, and we have sought to profit by those past mistakes, in planning the program for those who served in the war which has just ended.

In reviewing the development of the former program, I note that, to a very large extent, much more than in the present war, new measures were introduced by order in council under the War Measures Act, and it was not until after the war that the legislation was embodied in statutory form with the sanction of parliament. Nevertheless the parliamentary committees of 1916, 1917 and 1918 made valuable contributions.

With respect to certain of our measures we have found it necessary to follow the precedent of the former war and take action by order in council. The advantage of this procedure has been that we were able to make amendments quickly to meet new situations or to correct weaknesses discovered through administrative experience. However, with the end of the war it becomes both necessary and desirable to bring this order in council legislation before parliament and ask that it be given full statutory authority.

Civilian Administration

In the first world war, I find that even the departmental organization was set up by order in council. Both the Military Hospitals Commission in 1915 and the Board of Pension Commissioners in 1916 were created by order in council.

These two measures were historic, as they represent the first recognition of civil responsibility for the care of former members of the armed forces. Hitherto hospitalization had been the responsibility of the Army Medical Corps, and pensions had been administered by army pay officers. Other types of assistance, with the exception of land grants, were unknown and unthought of. Veteran administration was simply a minor adjunct of the military forces.

The inadequacy and inappropriateness of this type of administration in a war of large enlistments became apparent as early as 1915, when the country found itself lacking in adequate hospitalization for the stream of casualties pouring back across the Atlantic from the bloody battle fields of France and Flanders. The Military Hospitals Commission as first created was a committee of leading business men from all parts of Canada under the chairmanship of a cabinet minister, with the limited function of helping to acquire new hospital premises. Each commissioner was asked to survey his own part of the country. In order to meet the emergency, the commission took over hotels, colleges, schools, Y.M.C.A. buildings and, in some cases, private residences.

The beginnings of departmental organization arose from the need to have these premises altered, repaired and equipped for hospital purposes. Within a short time the Military Hospitals Commission had grown into a large and important government department operating the hospitals which it had acquired and outfitted.

One of the problems which gave the government of the day a great deal of concern was that of dual administration by the Army Medical Corps, which was responsible for treatment, and the Military Hospitals Commission, which was responsible for administration.

Without disparaging in the slightest degree the splendid work of the Army Medical Corps, I think there can be little doubt that the introduction of civilian administration was largely responsible for the development of new and more progressive policies. Very early in its history, the Military Hospitals Commission began to explore the advantages of occupational therapy and vocational training for the handicapped. This pioneer experiment of 1916 has since become the keynote of rehabilitation policy, not only in Canada, but almost universally.

Pension Reform

In 1916 a parliamentary committee took a strong stand in favour of pension reform. Not only were the old pay and allowance regulations out of harmony with the generous trend of public opinion towards those who had sacrificed life and limb on the battle field, but the army administration, being concerned primarily with the prosecution of the war, was not suitably equipped to deal with the claims of ex-soldiers who had been discharged to civil life.

As a result the administration was falling behind in dealing with claims.

Upon recommendation of the parliamentary committee of 1916, the government, by P.C. 1334 of June 3, 1916, set up a new and separate Board of Pension Commissioners entirely outside the army, and adopted a new code of pension regulations.

That order in council introduced a completely new principle in pension legislation, one which is generally referred to, by a very descriptive term, as "the insurance principle". Prior to 1916, pension was awardable for death or disability caused by service. Canada, in 1916, adopted this so-called insurance principle by which injury or disease resulting in disability or death was pensionable when incurred during service, even though no direct service cause could be traced.

According to my latest information, that principle has never been adopted by any other country in the world, although in the recent war Canada and New Zealand both applied it to overseas service. Furthermore, Canada extended it to persons who have had overseas service, even though the non-related disability or death might have occurred within Canada. The insurance principle is essentially a wartime measure and since 1920, members of the peacetime military forces have been pensionable only with respect to occurrences "due to service as such".

The coverage provided by the Pension Act of Canada from 1916 to date has been and remains broader than that afforded by any other British nation, or the United States, unless there has been some very recent change of which I have not been informed.

Such were the beginnings of civil administration of veterans affairs in Canada. The Military Hospitals Commission inevitably developed an administrative organization with engineering, dietetic, purchasing, accounting, vocational training, and other divisions. To keep pace with the mounting volume of pension claims the Board of Pension Commissioners also rapidly developed an organization of its own.

Early in 1918, the government came to the conclusion that a regularly organized government department was called for and, by order in council P.C. 432, of February 21, 1918, the Department of Soldiers' Civil Re-Establishment was created. The former chairman of the Military Hospitals Commission, Sir James Loughheed, was appointed minister of the new department. He administered through two commissions:—

1. The Invalided Soldiers' Commission (A new name adopted for the Military Hospitals Commission), and
2. The Board of Pension Commissioners.

As by this time the emergency with regard to hospital accommodation had disappeared, the Invalided Soldiers' Commission was shortly disbanded and its staff became the staff of the Department of Soldiers' Civil Re-Establishment.

Soldier Settlement Act

One other important aspect of veterans' legislation dealt with at an early date during the last war was that of settlement on the land. Precedents for land settlement are to be found as far back as the days of the Roman Empire. In Canada, veterans of the American revolutionary war, of the war of 1812, of

the Fenian raid, the northwest rebellion, and the South African war were all given land grants as a means of helping them to establish themselves in civil life.

The earlier measures are very largely responsible for the settlement of Upper Canada. The later grants were of more dubious value and led to little more than real estate speculation in "scrip".

Land settlement is the only major piece of legislation for veterans during the war of 1914-18 which was initiated on the floor of parliament. The Soldier Settlement Act of 1917 provided for the granting of loans up to \$2,500 to veterans settling on dominion crown lands. This measure proved inadequate and several amendments were enacted by order in council.

Parliamentary Sanction

In 1918 and 1919 the whole field of veterans' legislation was reviewed by parliament. In 1918 the Department of Soldiers' Civil Re-Establishment Act was passed, giving parliamentary sanction to the order in council passed earlier in the same year. In 1919 the various orders in council setting up the pension board and creating and modifying pension regulations were embodied in the Pension Act. In the same session a new and broader Soldier Settlement Act was adopted.

From that day until the outbreak of the present war, all important measures affecting veterans have been the subject of parliamentary action, and in every case legislation proposed by the government has been reviewed by a committee of the House of Commons.

I should like now to trace briefly the history of each major branch of veterans' administration from its inception to 1939.

Organizational Development

The organization originally set up by the Military Hospitals Commission and the Board of Pension Commissioners, and later combined under the Department of Soldiers' Civil Re-Establishment, has enjoyed an unbroken history up to the present. In 1928, however, by which time those who had fought in the war had become fully absorbed into the civilian community, the name "Soldiers' Civil Re-Establishment" had become an anachronism, and it was decided to create a Department of Pensions and National Health. It would appear that national health was combined with the pensions administration chiefly because these were the two departments of government employing large numbers of medical men.

THE PENSION ACT

Pension legislation has undergone many changes since the first regulations were promulgated by order in council in 1916 and, in every case, a committee of the House of Commons has played an important part.

Practically from the beginning Canada recognized the claims made upon pensioners by the fact of their having dependents. Pension was placed on a graduated scale in relation to the number of dependents for whose support the pensioner was responsible. Thus, a pensioned widow receives not only the standard rate of \$60.00 a month for all ranks below captain (Army), but additional allowances based on the number of children in the family.

In the case of disability pensioners, there is a schedule in the act fixing twenty rates of pension ranging from 5 per cent to 100 per cent in multiples of five. Disabilities are assessed in percentages, and the rate of pension is based on the percentage of disability.

The basic schedule is for a single man without dependents, with additional provisions giving allowances for dependents. This schedule begins with the allowances applicable to a total disability pensioner. If, however, the disability

is assessed at 40 per cent or 60 per cent, or some other proportion of total disability, the pensioner will receive for his dependents the proportion of the maximum allowance for dependents which his disability assessment bears to 100 per cent.

Thus, a total disability pensioner with a wife and one child would receive \$900 a year as the basic pension, \$300 a year on account of his wife and \$180 on account of the child—a total of \$1,380.

A 50 per cent pensioner with a wife and one child would receive \$450 basic pension, \$150 on account of his wife and \$90 on account of one child, making \$690 or exactly half of the amount payable to a total disability pensioner with the same number of dependents.

When the pension regulations were given the status of an Act of parliament in 1919, it was provided that a widow should not be eligible for pension unless she had married the member of the forces prior to the appearance of the disability which resulted in his death. In 1928, there was a slight modification of this principle, and in 1930, following extensive discussion by a parliamentary committee, an amendment was passed making all widows who had married a member of the forces prior to January 1, 1930, eligible for pension when their husbands died as a result of war disability. In 1944, the date line was advanced to May 1, 1944.

While parliament, in 1919, inserted this limitation with regard to widows there was no such prohibition with regard to the wives and children of disability pensioners. If a veteran was first pensioned as a single man and he subsequently married and acquired a family, his pension was increased with each addition to the family in accordance with the rates applicable to a man with dependents. However, in 1933, parliament drew a deadline and provided that a disability pensioner who married subsequent to May 1, 1933, should not have his pension augmented for dependents with respect to such a marriage or with respect to children born on or after that date.

By P.C. 5/3655, dated May 15, 1944, the date line with respect both to widows and to wives and children was advanced to May 1, 1944.

As a result, any woman who married a veteran of the first great war prior to May 1, 1944, that is, 26 years after hostilities, is entitled to pension if her husband dies as a result of his war disability, except for the proviso which guards against awards in the case of death bed marriages. Similarly, numbers of veterans who could not have their pensions augmented with respect to wives married and children born in the eleven-year period between May 1, 1933 and May 1, 1944, have in the past year had their pensions increased to the rates which are appropriate to the actual number of their dependents.

The Order in Council of May 15, 1944, extending the date lines, is before this committee as one of the proposed amendments to the Pension Act. I have referred to it in this context, because it relates directly to the dependents of those who served in the war of 1914-18, although the latest amendment was not adopted until 1944.

Powers of Pension Board

Going back now to another vital principle of the Pension Act, the Canadian parliament provided in 1919 when the Pension Act was first enacted that the Board of Pension Commissioners should have exclusive power and authority to adjudicate on pension claims. This was a new principle in pension legislation in that the deciding of pension applications was made a judicial rather than an administrative function.

What parliament undoubtedly sought to avoid was placing ministers in the position of being subject to political pressure on behalf of individuals claiming pension.

This principle has never been changed. The awarding, refusing, increasing, or reducing of pension in Canada is performed by a judicial body completely free of ministerial direction, and as independent as the supreme court of justice.

Pension Rates

When pension regulations were first set up in 1916 the rates adopted were approximately those which had existed of old in the pay and allowances regulations. But in 1917, on the recommendation of a parliamentary committee, the rates were substantially increased and in 1919, when the act was passed, a 20 per cent bonus over the basic rates for rank and file was added.

In 1920, when the cost of living had reached extraordinary heights never since equalled, parliament awarded a further cost of living bonus which had the effect of increasing the original basic rate by 50 per cent. At the same time minor discrepancies in the rate of pensions for the lower ranks were done away with and pensions were made equal for all ranks below that of captain in the army and equivalent ranks in the other services.

In 1925 this cost of living bonus was made a permanent part of the pension scale, thereby increasing the basic rate by 50 per cent. The rates then fixed have not been changed since that date and it is of interest that the cost of living index maintained by the Department of Labour has never since reached the point at which it stood when the bonus was introduced.

According to the *Labour Gazette*, the index stood at 150 when the bonus was introduced in 1920. It stood at 121 when the bonus was made permanent in 1925, and the highest point ever subsequently reached was in 1929, when the index stood at almost 122, after which, during the depression years, it fell off sharply. Since the outbreak of the present war, there has been a slow but steady climb, and the index in July of this year stood at 120·3. This, it will be observed, is slightly less than the index for 1925, and very much less than the index for 1920 when the bonus was introduced.

The 1920 revision of the Pension Act was one of the most comprehensive ever made. One of the important decisions made by parliament in that year was to raise to the new scale pensions previously in effect for former wars. Pensions payable for service in the Fenian raid, or the northwest rebellion were brought up to the same scale as applied to C.E.F. veterans, and provision was made for the Canadian government to supplement up to the new Canadian scale pensions received by Canadians who had served in the British forces in the South African war. In the following year pensions in force for disabilities incurred during any type of military service previous to the war were raised to the C.E.F. scale.

In 1921 the situation with regard to death or disability occurring after the war was clarified. The new amendment provided that death or disability incurred after the war, to be pensionable, must be due to service as such, that is, directly attributable to performance of military duties. But in 1939 it was enacted that a widow whose husband was in receipt of pension at the time of his death at the rate of 50 per cent or higher should automatically be entitled to widows' pension, irrespective of the cause of death. Previously it had been necessary to prove that death was due to service, unless the pension of the deceased husband had been 80 per cent or higher.

Pension Appeals

In 1922 as a result of representations made by the Great War Veterans' Association the government appointed a royal commission presided over by Colonel J. L. Ralston, which toured the country and took evidence about pension administration. Numbers of amendments followed this enquiry and one of major importance was the introduction of the right of appeal, through the establishment in 1923 of the federal appeal board.

This subject of appeals was the occasion of a great deal of controversy for nearly twenty years, and several procedures were attempted without achieving the desired results until in 1933 the Board of Pension Commissioners and the pension tribunals were abolished. In that year a new body was created known as the Canadian Pension Commission, with powers and functions similar to those of the Board of Pension Commissioners but with greatly enlarged personnel. Instead of three commissioners the Canadian Pension Commission was given no fewer than eight members who might be increased to twelve, with an added provision for the appointment of not more than five "ad hoc" members. The right of appeal to a separate pension appeal court was preserved.

Provision was made, however, that unsuccessful applicants should have the right to appear personally before a quorum of two commissioners who were to travel throughout the country and hear the applicants personally in public. The pension appeal court continued to exist until 1939, when it was finally abolished and the function of hearing appeals was conferred upon appeal boards consisting of members of the commission.

Present Procedure

To complete the discussion of this subject of appeals I should explain the present procedure for hearing pension applications arising out of former wars. When an application is made the commission gives what is known as a first hearing. The decision rendered at this hearing is based on the examination of the documentary evidence of file. If the decision is adverse the applicant is given the opportunity to make application, within three months, for a second hearing at which he may present a written argument and any evidence which he believes has been overlooked. Prior to second hearing he is furnished with a copy of the summary of evidence on file and he must list all disabilities with respect to which he wishes to claim. If the decision on second hearing is adverse the applicant has a right, within six months, to apply for a personal appearance before an appeal board consisting of three members of the commission. These appeal boards travel throughout the country and hear the applicants in person together with such other witnesses as they may produce. The decision of an appeal board is final.

Veterans' Bureau

In 1930 parliament adopted another important innovation in the interest of pension applicants. Provision was made for the establishment of a veterans' bureau, independent of the commission, the members of which were to function as advocates on behalf of pension applicants. This principle has steadily been developed, and today it is customary for most applicants for pension to go to the veterans' bureau and have their claims prepared by a trained expert who has no other duty or interest to serve than that of making the best possible presentation on behalf of the veteran. In this connection, I should not fail to pay tribute also to the admirable work of the adjustment officers of the various veterans' organizations in helping applicants to prepare their pension claims.

One of the tasks undertaken by the veterans' bureau is that of tracing down former comrades of the applicant who may have knowledge of incidents not recorded in the man's service file. Sometimes witnesses have been followed half way around the world and statements obtained from them corroborating claims which were otherwise without support except the bare statement of the applicant. Similarly copies of old records of treatment in prisoner-of-war camps and similar documents, often in possession of other governments and inaccessible to private citizens, are obtainable through this official channel.

Compassionate Awards

Returning now to amendments that flowed from the work of the Ralston Commission, we find that in 1923 and 1924 by progressive steps power was

given to make compassionate awards of pension in certain types of cases where there are especially meritorious circumstances.

Another amendment stemming from the report of the Ralston Commission was enacted in 1925 providing that disability incurred during service, although not manifest until subsequent thereto should nevertheless be pensionable.

Restrictions on Pension Applications

Prior to 1928 there were time limits within which application for disability pension could legally be made. In 1928 on the recommendation of a parliamentary committee those time limits were abolished and remain so for those with service in a theatre of actual war.

Retroactive Awards

An important amendment of 1936 had to do with retroactive awards. Cases arose of men discharged as fit who subsequently developed disabilities which they considered to be service related. While in some instances this proved to be the case, there were many others where the possibility of receiving large retroactive payments resulted in numerous claims and representations from applicants and their agents. Many of these claims became very contentious and had little merit or basis to justify the application. An opinion prevalent at the time was that the fact of a large adjustment of pension being involved might prejudice the claim and lead to an adverse decision.

In 1936 parliament decided that retroactive awards should not go back more than twelve months from the date which application was made. In exceptional cases, where there was genuine hardship, discretion was given to the commission to award an additional payment not exceeding six months' pension.

In 1938 the commission by regulation, with the approval of the government, adopted the policy of making an upward revision of assessments in severe disability resulting from gunshot wounds on the well-grounded assumption that the disabling effect of such an injury is proportionately greater as the pensioner advances in age.

Dependent Parents

In 1918, on the recommendation of a parliamentary committee, the principle of prospective dependency for parents was introduced into the pension regulations. The previous rule was that only parents who had been wholly or mainly dependent upon a deceased member of the forces should be entitled to pension. The new principle permitted pension to be paid to parents who had not been supported by a deceased son, provided there was evidence to base a presumption that the deceased member of the forces, if he had survived, would have supported his parents.

Until 1920 parents were pensionable only if the member of the forces was unmarried. In cases where there was a pensioned widow the parents were not eligible. In the far-reaching revision of 1920 to which I have already referred the Act was amended to permit the payment of a sum not exceeding \$180 a year towards the support of each parent of a disability pensioner, providing the pensioner had previously supported his parents and was continuing to do so. Similarly, in the event of a member of the forces or a pensioner dying from a cause attributable to service, his surviving dependent parents were made eligible for pension up to \$180 a year each, notwithstanding the payment of pension to a widow or children.

These rates remained in effect until 1944, when the commission was given the power to award up to \$360 per annum to each surviving parent of a deceased member of the forces where the widow or children were also pensionable.

Pension for Tuberculosis

In 1922, and again in 1925, special provisions were made for persons pensioned as the result of tuberculosis. In view of the peculiar nature of this disease parliament decided that, subject to certain conditions, pensions awarded for tuberculosis incurred by one who had service in a theatre of actual war should be at the rate of 100 percent in all cases and, for one who had not served in a theatre of actual war, at the rate of 90 per cent.

Furthermore, it was provided that when such a pension had been awarded it must not be reduced within a period of two years. The wisdom of this measure will be apparent to all who are familiar with the necessity for persons in whom tuberculosis has been arrested to find a mode of living which will not bring about a recurrence of the disease.

Basis of Pension

Two important basic provisions of the Canadian pension legislation which have existed from the very beginning and which should be emphasized at this time are:—

1. Disability pension is based upon the degree of physical disability actually caused by the injury or disease.

The importance of this principle is appreciated when one considers that men earn their livings in widely different ways. Certain types of workmen require a high degree of bodily strength whereas others, who may be described as brain workers, do not find their earning capacities greatly reduced by even serious physical injury. It was felt from very early in the history of our pension legislation that no just and equitable basis could be found for awarding pension if earning capacity were taken into account. The assumption was that every man is entitled to the full use of his body and limbs and that impairments arising out of war service should be pensionable equally.

2. The second principle is related to the first. It asserts that no deduction in pension shall be made because of other earnings. Pension is straight compensation for disability or, in the case of dependents, for the loss of the family breadwinner.

Having thus followed the history of pension legislation from 1916 until the outbreak of the present war and, in one or two cases beyond that date where amendments adopted more recently relate to those who served in the war of 1914-18 and earlier wars, I shall now turn to other aspects of veterans' legislation as developed during and subsequent to the first great war.

MEDICAL TREATMENT AND HOSPITALIZATION

Up to the outbreak of the war of 1914 the assumption had always been that the care of invalided soldiers was the function of the army medical corps. Due to the heavy volume of casualties returning from Europe in 1915 it was found necessary to supplement the activities of that corps by appointing a civilian commission to provide additional hospital premises.

Since this involved, not merely the acquisition of buildings, but their conversion and equipment for hospital purposes, the Military Hospitals Commission soon found itself deeply involved in hospital management, and there was a period of confusion as between the functions of the army corps and the civilian hospital commission in this regard.

I do not think that any fully satisfactory solution was found during the war, but with the end of hostilities, the army medical corps withdrew and the entire administration of hospital services and medical treatment for veterans became the responsibility of the civilian Department of Soldiers' Civil Re-Establishment.

During the period of dual administration invalided members of the forces were transferred to a military unit known as the military hospital commission command. They were not discharged from the forces, but remained soldiers until their medical treatment was completed. In the circumstances, no problems with regard to hospital allowances arose. The invalided soldier continued to receive his military pay, and his dependents continued to receive separation allowance and the assistance of the Canadian patriotic fund.

When a soldier who had been discharged required subsequent treatment for a disability caused or aggravated by service the arrangement was that he would be reattested as a member of the C.E.F., thus returning to the pay and allowances which he had received during his former service.

Treatment Allowances

In February, 1918, however, the government decided that discharged members of the forces who broke down as the result of service disability and required further treatment were no longer to be reattested but were to be cared for by the new Department of Soldiers' Civil Re-Establishment. As a sequel to this the Department of Soldiers' Civil Re-Establishment was authorized to pay a civilian scale of allowances to its veteran patients equivalent to the pay and allowances paid by the Department of Militia and Defence at the time of discharge, but with the addition of certain allowances for dependents, replacing the patriotic fund allowances which terminated with discharge. In the event of the patient being granted out-patient treatment an amount equivalent to the army subsistence allowance would become payable.

In February, 1919, the department was given authority to provide treatment for disabilities not due to service to a discharged member of the forces within twelve months after his discharge, but the regulation did not authorize the payment of hospital allowances for such treatment.

In September, 1920, the rate of hospital allowances was divorced from the military scale of pay and allowances and placed on an absolute basis, which would not change with possible changes in army pay, but would be under control of the Department of Soldiers' Civil Re-Establishment. Very shortly afterwards, however, it was found that in some cases the new schedule resulted in a patient receiving less than he would have received had he been reattested as a member of the forces at the rank held at the time of his discharge. Accordingly in 1920 a new regulation was enacted requiring that his pay be supplemented to the amount that he would have received as a member of the forces.

Two years later the treatment regulations were again completely revised and allowances were put on a daily basis comparable to the monthly rates formerly in effect. Those new regulations, for the first time, contained definitions of disability attributable to or aggravated by service, and of similar important phrases.

Prior to this date the determination of whether or not a veteran was entitled to treatment for a condition attributable to service was made by a board of medical officers. By this new consolidated code of treatment regulations, dating from April 1, 1922, the ruling of the Board of Pension Commissioners became the determining factor. If a condition was attributable to service it was pensionable. If it was pensionable treatment could be given.

The new order in council did away with provision for the treatment of non-service related disabilities. In 1923 this was modified by giving the deputy minister power to authorize treatment for a condition with respect to which there is a possibility that the condition might be considered attributable to service although reasonable proof was not obtainable. If subsequently it should be found that the condition was due to service the department was authorized to pay allowances.

The permanently incapable

The parliamentary committee of 1924 drew attention to the problem of certain classes of veterans who were in receipt of pension for partial disability and who were also more seriously disabled by other conditions not attributable to service. In many cases these veterans were in need of medical treatment and in some cases of permanent custodial care, as they were unemployable and incapable of providing for themselves.

In an order in council whose preamble recited a portion of the parliamentary committee's report the department was authorized to provide quarters, maintenance, and medical treatment in a departmental institution to any pensioner who was prevented permanently from working and would otherwise become a public charge. An important new feature of this legislation was that previously treatment could be given only for a condition attributable to service and, when such treatment was given, the patient was entitled to the full scale of hospital allowances. In the new type of case brought under the regulations by the order in council of 1924 the veteran's need for maintenance and treatment might arise from a combination of conditions not all caused by service. Accordingly it was decided that, in such cases the ordinary scale of hospital allowances would not apply.

Deduction from pension towards the cost of maintenance was permitted where such deduction could be made without personal hardship to the man or his dependants. The department was authorized to apply up to \$40 of the man's pension or other moneys towards maintenance, but was directed to repay \$3 a month for comforts and \$7 a month for clothing.

The 1928 Revision

In 1928 there was a further complete revision of treatment regulations and as from September 1 of that year a new principle was introduced.

Active treatment was authorized for pensioners with respect to non-pensionable disabilities if the pensioner was financially or otherwise unable to obtain treatment elsewhere. Such treatment was to be given only in Canada and only in departmental or contract hospitals. The regulations excluded from such treatment chronic, tubercular, mental, infectious and long treatment cases. The purpose of the regulation was clearly indicated to be the giving of remedial treatment for conditions which would respond to treatment with a view to enabling the pensioner to recover and resume a normal active career. The exclusion of certain chronic or permanent conditions was based on the proposition that treatment would not be effective, or was otherwise available under provincial law.

It should be borne in mind that this regulation relates to conditions not attributable to service and had no bearing upon the normal responsibility of the department to provide all the medical care that might be called for with relation to any condition caused by a man's military service.

P.C. 91

The consolidated treatment regulations of 1928 remained in effect until 1936 with the customary minor amendments from time to time. By 1936, however, these amendments and minor changes had reached the point where it was necessary again to make a complete consolidation resulting in the well-known P.C. 91.

The outstanding change effected by P.C. 91 was the abolition of the custom of paying hospital allowances identical with former military pay. My former colleague, the Honourable Mr. Power, in introducing this reform drew attention to the fact that certain high ranking officers whose rates of military pay ranged

from \$430 to \$540 a month had been paid many thousands of dollars of hospital allowances to the point where he considered that an abuse existed.

P.C. 91 put all hospital allowances for former members of the forces below the rank of army captain and equivalent ranks in the other services on an equal basis, namely, that payable to a private soldier. Hospital allowances for officers of the rank of army captain and upwards were placed on the basis of 100 per cent pension, less \$30 a month representing maintenance while in hospital. Since the former treatment allowances for private soldiers were based on the same formula and, since pensions for all ranks below captain were the same, the real effect of this change was to base all treatment allowances on 100 per cent pension less \$30 a month.

P.C. 91 introduced certain other important changes. The custodial care provision had hitherto related only to those who were considered to be permanently totally disabled. Such treatment was now made available to those whose total disability was regarded as a temporary condition.

There has always been a reluctance to repay to a veteran medical expenses privately incurred, but by P.C. 91 the department was authorized to make such reimbursement when it was subsequently held by the Pension Commission that the condition for which private treatment had been given was pensionable.

The authority to grant treatment to a pensioner for a non-pensionable condition was broadened to include not only those presently in receipt of pension but those who had at any time previously been in receipt of pension. The regulation that such treatment might be given when the pensioner was unable for financial reasons to provide treatment at his own expense was clarified by defining the income limits applicable. The man was considered to be eligible if his income was lower than that which a private soldier would be paid as hospital allowance for treatment for a pensionable disability.

Provision was made also for the first time for limited dental treatment, and this was broadened in 1939.

In 1939 also the class of those eligible for active treatment for non-pensioned conditions was broadened to include any veteran who had seen military service in a theatre of actual war. Hitherto this benefit had been related to pensioners of those who had formerly been in receipt of pension.

Such were the broad principles governing the medical care of veterans when war broke out again in 1939.

HOSPITAL ADMINISTRATION

This is an appropriate context in which to mention the department's experience in connection with hospital administration. In the emergency of 1915 and 1916 the Military Hospital Commission acquired premises in many cases not ideally suited for hospital purposes. Some of them, such as the Balfour Hotel on Lake Kootenay, were remote from large centres of population. Others, such as the former Fairmont School in Vancouver (which became known as Shaughnessy Military Hospital) were non-fire-proof buildings hastily converted into hospitals.

As the war receded into the background many, but not all, of these institutions were closed. In order that patients might have the benefit of the services of the leading specialists in all branches of medicine the policy of concentrating our hospitals in the larger centres of population was gradually adopted. Institutions remote from the large cities were closed although, in some cases, the buildings may have been physically better adapted for hospital purposes than some of those retained. The advantages of the best medical care were

apparently weighed against the attractions of a rural environment and superior bricks and mortar.

It was in this period of consolidation that the much discussed Christie Street Hospital was developed as the principal orthopaedic centre for Canada, replacing such decrepit and unsuitable premises as the old Bishop Strachan School and Knox College in downtown Toronto. In my own city of Vancouver I regret to say that it was not until 1938 or 1939 that steps were taken to replace the old stucco boarding school with a modern hospital building.

Situation in 1939

In any event, the situation at the outbreak of war was that the department had eight hospitals in Vancouver, Calgary, Winnipeg, London, Toronto, Montreal, Halifax, and Saint John, with accommodation for 3,588 patients.

Medical Services

The department at all times maintained its own medical staff of full-time physicians and surgeons. In order, however, that veterans might receive the best possible medical care, numbers of the leading specialists of the country in all our hospital centres agreed to accept part-time salaries in return for their outstanding skill.

Similarly in practically every town, city and hamlet throughout the country the department had one or more of the local physicians on its staff to render service to pensioners living in their part of the country. These were not paid by salary but on a prescribed schedule of fees.

Tuberculous and Mental Cases

Special measures were followed with regard to the care of veterans suffering from tuberculosis and mental conditions.

With respect to these the broad policy was for the dominion to avail itself of the well developed services operated by the provinces. Where accommodation was inadequate the dominion expended substantial sums on building additional pavilions on the sites of existing sanatoria. As the peak of the emergency passed the dominion government transferred these premises to the ownership of the provinces and entered into contracts whereby any necessary hospitalization for veterans was furnished by the provincial sanatoria at mutually agreed rates.

The number of military patients suffering from tuberculosis has steadily declined and the anti-tuberculosis campaign among the civil population was greatly assisted by the very large additions to sanatorium facilities thus presented to the provinces by the dominion.

With respect to mental patients the department has continued to provide accommodation for certain types in one or two of its own hospitals, but the majority of patients are in provincial hospitals under contract arrangements.

Blinded Veterans

The need for special provision for blinded veterans was recognized early during the last war. Canada had few facilities and the policy was adopted of entering blinded Canadian veterans at St. Dunstons Hostel, established by Sir Arthur Pearson in London, England.

In 1918 the department engaged the services of Captain E. A. Baker, M.C., himself a blinded veteran, and one of the most brilliant graduates of St. Dunstons Hostel. Captain Baker had proven the success of their training methods by accepting and carrying out the duties of an engineer of the Toronto Hydro Electric Commission subsequent to his graduation from St. Dunstons.

The activities of St. Dunstons could not, however, be extended to Canada and it was considered desirable to place the aftercare of our blinded veterans in the hands of the Canadian National Institute for the Blind. An order in

council adopted on April 2, 1919, authorized the grant of \$10,000 a year for five successive years to the institute to cover the cost of its services, including employment in workshop, the provision of after-care, and the provisions of post-graduate courses. Additional training courses were paid for by the Department of Soldiers' Civil Re-Establishment.

Later in the same year a further grant of \$50,000 was made for the purchase of property at Toronto, now known as Pearson Hall, and the erection thereon of a workshop for training blinded veterans. A formal agreement was entered into in 1920 between the department and the institute and the grant to the institute was augmented in 1921. Captain (now Colonel) Baker has been retained in the service of the department continuously since 1918 on a part-time basis as a technical adviser with respect to the training of the blind.

There were approximately two hundred blinded veterans of the first world war and to a large measure the arrangements made for their rehabilitation have been amazingly successful.

Returned Soldiers' Insurance

Shortly after the end of the war of 1918 it was realized that one of the handicaps suffered by many veterans was their inability to obtain life insurance for the protection of their dependents. Men with disabilities often found that the commercial insurance companies would not insure them at all. In other cases, due to the presence of a disability, the companies required higher premium rates than the ordinary person would be required to pay.

Accordingly in 1920 parliament enacted the Returned Soldiers' Insurance Act, permitting veterans to obtain without medical examination certain types of life insurance up to a maximum of \$5,000 at a schedule of rates approximating as closely as possible the rates which the normal physically fit man of the same age would have to pay to a commercial insurance company.

Provision was made that applications could be received for a period of two years, later extended by an additional twelve months. In 1928, after an interval during which applications could not be entertained, it was decided to reopen the act for another year, which period was ultimately extended to five years. The last date for acceptance of applications was August 31, 1933.

No fewer than 48,320 policies were issued providing insurance of \$109,-299,500.

Death claims settled up to March 31, 1944 numbered 6,366.

The number of policies surrendered for cash was 14,647.

Payment of premiums had been discontinued with respect to 12,892, and the number of original contracts still in full effect at that date was 17,652, having a face value of \$37,413,744.

Burials

One of the sad responsibilities of the department has been that of providing for the burial of veterans, especially those who may die in impoverished circumstances.

Burials of patients dying on the treatment strength of the department are carried out at the department's expense. Prior to 1936, burials were done by contract; P.C. 91 of January 16, 1936, provided a fixed sum throughout Canada.

In 1919, the Pension Act provided payment up to \$100 for the last sickness and burial of a pensioner who died of his pensionable disability, when the estate is not sufficient to cover the cost.

In 1920 an amendment to the act removed the requirement that death be due to the pensionable disability; payment could be made in respect of the death of any pensioner. In 1928 a further amendment raised the sum of \$150 provided any burial should not exceed the cost of \$100.

Following a recommendation of the 1922 parliamentary committee, P.C. 1581 was passed on August 5 of that year authorizing a grant of \$10,000 to the Last Post Fund for the purpose of organizing branches in the provinces and to assist in the burials of destitute veterans of Canada and her allies for whom no other provision was made. The annual grant gradually increased as the number of deaths increased until, for 1939-40, it was \$85,000.

Vocational Training

I believe it is generally accepted that Canada was the first country in the world to adopt vocational training as a rehabilitative measure for discharged members of her armed forces.

A beginning was made as early as 1915 through efforts to relieve the tedium of hospitalization by the introduction of interesting and useful occupations. In the early stages there was some overlapping between the theories of occupational therapy and vocational training. I believe that the original impulse was founded on recognition of the therapeutic value of some practical occupation. Soldiers, however, had a tendency to regard as frivolous the knitting and embroidery tasks set by well-meaning enthusiasts and the idea developed that occupations provided for hospital patients should as far as possible be of a kind that would prove useful in after life.

Gradually the two policies or theories drew apart. Medical men and hospital authorities drew a clear line of distinction between occupations provided for their therapeutic value and those which constituted useful and practical training for trades or business.

Beyond saying that the Military Hospitals Commission showed at an early stage its appreciation of the value of the modern therapies such as occupational therapy, physio-therapy, mechano-therapy, hydro-therapy, I need make no further allusion in this context to what is essentially a treatment problem.

As soon, however, as the idea of vocational training came into the picture the Military Hospitals Commission set up a special establishment to deal with that problem. Recognition was given to the principle of pension legislation to which I have already referred, that pension should be based on the absolute degree of physical disability rather than the relationship of the disability to earning capacity. Since the effect of a given disability on the earning capacity of two men may be quite different, the policy was adopted of offering vocational training to those who were disabled in such a manner as to preclude them from returning to their former occupations.

While I am by no means satisfied that the vocational training policy in its early phases was highly successful I have every sympathy and admiration for the enlightened, and progressive viewpoint which lead to its adoption and to a variety of experimental efforts to develop a practical and useful program.

In the early stages there was undoubtedly an overemphasis on such occupations as shoe-repairing and vegetable gardening. It was thought also that the original plan of establishing special training centres was inadequate and after the experience of a year or two this plan was enlarged to include what is known as shop-training.

A campaign was conducted among employers with a view to having them admit to their shops disabled workmen for the purpose of being trained under actual working conditions. The department undertook responsibility for the payment of training allowances and made every effort to have the industry agree to give the man employment when the training course had reached a point acceptable to the department and the employer.

The facilities of business colleges, technical schools and similar institutions with established records of success were also utilized.

At the end of the war the vocational training program was extended to another class than those who had been so disabled as to be unable to return to their former occupations. This additional class was the very large number of boys who had enlisted under the age of 18. In many cases the training offered to these youths was an academic year in an educational institution such as a university or professional school. For others, it took the form of business or trade training such as that already in effect in regard to the disabled.

Training allowances were established on approximately the same basis as treatment allowances, which in turn were based on military pay and allowances plus subsistence.

In the annual report of the Department of Soldiers' Civil Re-establishment dated December, 1920, note is made that the number of those in receipt of training had declined during the preceding twelve months from more than 25,000 to approximately 4,700. Altogether up to that date the report shows that more than 50,000 had been given training under one or other of five classifications.

Corrective training	57
Trade and industrial training	23,781
Business and commercial training	11,904
Agricultural training	2,558
Professional training	3,240
Courses discontinued	8,981
	<hr/>
	50,521

Of the approximately 9,000 whose courses were discontinued 40 per cent were cancelled for misconduct, non-attendance or lack of interest, and 28 per cent voluntarily discontinued their courses to take positions—not necessarily the type of positions for which they were ostensibly being trained.

Notwithstanding the experimental character of the vocational training undertaken in the last war it is gratifying to find on a review of the records that no fewer than 64 per cent found employment in the occupations for which they were trained and 25 per cent otherwise.

Soldiers' Settlement

Another important measure adopted on behalf of veterans of the war of 1914-18 had to do with soldiers' settlement.

Land grants have been a traditional reward for demobilized armies from time immemorial, but in 1917 it was recognized that the mere grant of land was not sufficient to enable a man to establish himself in farming. Accordingly, parliament enacted the first Soldiers' Settlement Act in 1917. This act provided for loans not exceeding \$2,500 to be secured by first mortgages or prior charges on dominion crown land granted to the veteran.

But, in 1919, it was found that this legislation did not go far enough and by order in council on February 11, 1919, the Soldier Settlement Board was authorized to purchase farms and re-sell them to veterans for loans not exceeding \$4,500.

The act also authorized additional loans not exceeding \$2,000 for stock and equipment and \$1,000 for permanent improvements. The sum which might be loaned to veterans on dominion lands was also increased to \$3,000. In 1919 the Soldier Settlement Act was revised by parliament to include the provisions of the orders in council which have just been mentioned. Thenceforward the 1919 act was the basic legislation for soldiers' settlement.

The history of this legislation is too well-known to need much amplification.

Beginning in 1920 and extending to 1942, it was found necessary to make progressive reductions in the payments due by settlers. The aggregate of those reductions up to March 31, 1945, was no less than \$44,509,000.

Of 25,000 veterans who took up land under the Soldier Settlement Act 8,118 remained on their holdings in 1942 and 2,750 had paid off their loans.

It will be observed, therefore, that the Act did not result in the measure of success that the government of the day (1919) and the public anticipated.

It is a matter of record that the advisory committees who assisted in granting loans included men of high distinction in agriculture and loan experience.

The decline in farm prices immediately following settlement of the great majority of veterans (in the years 1919-21) and the disastrous crop failure conditions and low prices of the thirties are well known. But, apart from these factors, experience—the great teacher—showed there were certain inherent weaknesses in the act itself.

When the subject of land settlement was considered during the present war, the experience of the Soldier Settlement Act constituted a guide, as well as a pointed warning, to the dangers involved in legislation of this character.

Other Measures

Up to the end of hostilities in 1918, legislation and administration for veterans had largely to do with pension, medical care and vocational training since only those were discharged who were physically unable to carry on in the military service.

When armistice came, the government was confronted with the problem of re-establishment in civil life of the hundreds of thousands of physically fit veterans who required no medical care or pension. It was decided that for these there should be a war service gratuity based on the length and character of service.

If a member of the naval service had at least six months at sea or if a member of the expeditionary force had overseas service at all he was entitled to a war service gratuity in monthly payments at the rate of their service pay and allowances plus separation allowance, if any, but with a minimum of \$70 if unmarried or \$100 if married, on the following basis—

For 3 years' service or more	6 monthly payments
For less than 3 but more than 2 years ..	5 monthly payments
For less than 2 but more than 1 year ...	4 monthly payments
For less than 1 year	3 monthly payments

If the veteran had no overseas service he received—

For 3 years or more	3 monthly payments
For more than 2 years	2 monthly payments
For one year's service	1 monthly payment.

Two further measures of assistance to veterans were an amendment to the Civil Service Act entitling veterans to preference in examinations held by the Civil Service Commission. This was first enacted by order in council on February 13th, 1918, and was embodied in the Civil Service Act by parliament in the same year. In 1919 the preference was extended to widows of those who died as a result of service. The provision was strengthened administratively by amendments adopted in 1921 upon recommendation of a parliamentary committee, when an added preference for disability pensioners was approved.

Two measures designed to assist ex-service men in finding employment were adopted at the end of the last war.

In 1918, legislation was adopted calling for the establishment of the joint dominion-provincial employment agencies, and these began to function in 1919.

The Department of Soldiers' Civil Re-establishment also organized a so-called "Special Services Branch" which conducted an intensive campaign among employers both generally and on behalf of individuals with respect to finding employment. This branch carried on for approximately three years after the end of the war and there can be no doubt that its efforts in cooperation with the newly established labour exchanges was of great assistance to thousands of ex-servicemen in finding employment opportunities suited to their abilities.

In so far as I have been able to ascertain these are the principal measures adopted in the immediate post-war period for the civil re-establishment of the physically fit veterans.

A further measure to ease the path of the physically handicapped in obtaining employment was the assumption by the dominion government of the cost of workmen's compensation with respect to pensioners in receipt of pension of 20 per cent or more. This measure was adopted in 1921 upon recommendation of the parliamentary committee of that year. The Department of Soldiers' Civil Re-establishment was authorized to reimburse workmen's compensation boards, (or employers where they were individually liable), for the cost of medical treatment or compensation in respect of industrial accidents suffered by pensioners of the group indicated.

In March, 1927, the group of pensioners to which the policy applied was changed to be those with pensions of 25 per cent or more. The purpose and, I believe, the result of this legislation was to encourage employers to take into their establishments disabled men, who at that time were somewhat erroneously regarded as an added accident hazard.

WAR VETERANS' ALLOWANCE ACT

As the years passed, new problems arose due to the advancing age of the veteran group. By 1930, it was felt that some provision would have to be made for the aging group of veterans who seemed not to have been successful in providing for themselves and their dependents.

It will be remembered that the Old Age Pension Act had been adopted in 1928, providing pensions at the age of 70, for civilians who had no other means of subsistence. The view was widely held that men who had undergone the harrowing experience of battle might have been prematurely aged thereby. In recognition of this widely held opinion, parliament in 1930 enacted the War Veterans' Allowance Act which, in effect, granted benefits almost identical to those of the Old Age Pension Act to veterans at the age of 60, provided they had seen service in a theatre of actual war, or had been pensioned for disability. The allowance could be paid to a veteran under the age of 60 if he were found to be permanently unemployable.

One important difference between the War Veterans' Allowance Act and the Old Age Pension Act was that old age pension was and is payable individually to men and women as they reach the age of 70. The War Veterans' Allowance Act adopted the same scale of pension, namely, \$20 a month in the case of a single man, but, regardless of the age of the wife, authorized the payment of \$40 to a married man, providing they were living together.

In 1936 the 60-year age limit was reduced to 55 where the veteran was adjudged incapable of maintenance although not necessarily permanently unemployable. In 1938 the requirement that the veteran should have reached the age of 55 was removed. I should also mention that in 1936 Canadian veterans of the South African War were admitted to the benefits of the War Veterans' Allowance Act.

The principle which was involved in both the 1936 and 1938 amendments was that certain veterans who had not reached the age of 60 and were not totally and permanently unemployable might be considered to be no longer able to provide for their maintenance, by reason of a combination of advancing years, disabilities and industrial handicaps. The ex-service personnel eligible for the allowance must have served in a theatre of actual war or, if not, they must have been adjudged pensionable.

The importance of this legislation is evidenced by the fact that, on March 31, 1939, the number of veterans in receipt of war veterans' allowance was 20,010. This subsequently increased to a peak of 24,360, involving an annual expenditure of more than \$10,000,000.

From another standpoint, however, it is significant that this 20,000 to 24,000 represents a very small percentage indeed of the more than 600,000 who served.

Unemployment among veterans.

The War Veterans' Allowance Act is only one of numbers of measures which various governments found it necessary to adopt during the period between the two wars for the purpose of dealing with unemployment and hardship among veterans.

As early as the end of 1919 it was found that many thousands of veterans had not been successfully re-established and during the winter of 1919-20 it was found necessary to institute a measure of unemployment relief. The Canadian Patriotic Fund was called upon to administer a sum appropriated for this purpose and the total expenditure in the one year was \$4,991,000.

In the following winter the Department of Soldiers' Civil Re-Establishment was authorized to grant relief assistance to pensioners and to disabled veterans who had received vocational training. Maximum rates from which other income was deductible were fixed at \$50 for a single man and \$75 for a man and wife, graduated upward where there were children to a maximum of \$100. The granting of such assistance was limited to the months of January, February and March of 1921.

In the following year similar relief was paid during January, February and March at somewhat reduced rates. This was later extended to April 30 and subsequently the department was authorized to extend the period indefinitely. By May the rates for a single man were reduced to \$30 and for a man and wife to \$45, with a maximum of \$67 for a family.

These rates remained in effect until 1932 when the government of the day issued a directive that the aggregate disbursement for relief should be reduced by one-third. As the result of this directive the rate for a single man was cut to \$15 and for a man and wife to \$25. The schedule was later amended so as to permit the payment of relief at a scale not less than that granted by the municipalities to unemployed civilians.

In 1935 the whole policy of unemployment assistance was reviewed and a comprehensive set of regulations was issued based upon experience gained during the preceding period of acute unemployment. The average of unemployment assistance expenditures from the years 1931-32 to 1939-40 was in the vicinity of \$2,000,000 a year.

On March 12, 1935, as a result of vigorous representations by the Canadian Legion for a more constructive policy for the rehabilitation of unemployed veterans' an order in council provided for the appointment of a committee, subsequently known as the Hyndman Commission, to carry out an investigation into the existing facilities for the employment of ex-service men, for their care and maintenance while unemployed, and to make recommendations.

The committee reported in May of the same year recommending that the group eligible for relief be enlarged to include any who had seen service in a

theatre of actual war, but this part of the report was not adopted by the government of the day.

The Hyndman Commission also recommended the setting up of another the commission composed of three members, and a parliamentary committee which sat in 1936 hearing representations from all parts of the dominion recommended the adoption of this part of the report. As a result parliament enacted the Veterans' Assistance Commission Act of 1936. Three commissioners were appointed and were attached to the Department of Pensions and National Health for approximately two years. Public sittings were held throughout the country and exhaustive enquiries were made among veterans and among employers. One of the results of this commission's work was the establishment of honorary local committees to aid the commission in carrying out employment and training projects.

The following schemes were adopted—

The corps of commissionaires, which already existed in one or two localities, was established on a national basis with branches in all principal cities.

Veterans' industries, workshops, and projects were established in ten centres.

Probational training was provided in cases where employers were prepared to give permanent employment as a result of such training.

Grants of \$50 for tools and equipment, and free transportation up to \$10 on a repayment basis were authorized when such assistance would enable a veteran to procure employment.

The commission found at this time that there were 34,312 veterans unemployed, of whom 4,690 were regarded as unfit. Through the assistance of the honorary committees permanent placements were effected for 10,572 and casual placements were made to the number of 37,831. Under the probational training scheme 1,177 courses of training were commenced, of which 978 were completed.

Grants for these projects were discontinued in 1941, by which time employment conditions had greatly improved.

PROGRESS IN THE PAST SIX YEARS

I have spent some time reviewing the legislation and the administrative measures adopted for the care of veterans of the war of 1914-18 because it is upon that foundation that the structure of veterans' legislation for those who have served in the recent war has been erected.

In some cases, such as the Pension Act, we have merely made the old legislation, with appropriate modifications, adaptable to those who have served in the new war. In other cases, such as land settlement, we have enacted new legislation. In the matter of training we have broadened our program far beyond the conceptions of those who pioneered in this field in 1916 and 1917.

In other fields, such as re-establishment credit, we have introduced entirely new methods of rehabilitation.

Unlike 1914, we entered this war with a Pension Act which as a result of constant study by parliamentary committees represented the steady progress of public opinion on this subject right up to the moment of the outbreak of war.

Unlike 1914, we entered the present war with a civilian department, trained and experienced in the administration of veterans' affairs.

Unlike 1914, we entered the present war with a chain of hospitals and a medical organization ready for the care and accommodation of casualties.

Our problem was not one of creating something out of nothing but of expanding and improving existing services and existing legislation.

Perhaps the greatest of all our assets was the experience gained through years of critical observation of the effectiveness or otherwise of the legislation and administrative measures which had been pursued with respect to the veterans of the war of 1914-18. We have drawn heavily upon that experience in planning the legislation which has been enacted during the past six years and in the measures which are being laid before this committee for consideration at the present session.

It may be of interest to the committee if I give a concise outline of the development of the present program by yearly stages, after which I shall discuss more fully the principal measures with which this committee will be asked to deal.

In presenting this progress summary I shall table a number of documents, acts of parliament, orders in council, reports and letters which it is hoped will be of assistance to honourable members of the committee in the subsequent discussions. Much of the legislation has already been assembled in a Reference Manual on Rehabilitation, a copy of which is available to every honourable member. I am tabling a copy with the secretary as Appendix I to my statement and shall from time to time give page references to its contents.

1939

One of the first steps taken on the outbreak of war was the adoption of an order in council making the Pension Act applicable to the newly mobilized personnel. (I table P.C. 2491, Sept. 2, 1939 as Appendix 2).

Due to the small establishment of permanent forces in Canada the navy, army and air force had very little hospital accommodation. Accordingly the Department of Pensions and National Health arranged with the Department of National Defence that its hospital facilities should be at the disposal of the Department of National Defence. The arrangement was ratified by P.C. 3004 of October 5, which I present as Appendix 3, and covered not only departmental hospitals but the contract privileges which the department enjoyed in a majority of the country's general hospitals.

On October 30, 1939, as Minister of Pensions and National Health, I addressed a letter to the Prime Minister recommending the appointment of a committee of the cabinet to begin the planning of rehabilitation measures for members of the armed forces when they should be discharged back to civil life. (I table the letter as Appendix 4.)

The need for an early commencement in such planning arose from the fact that some men were being discharged on physical grounds after very short periods of service, and it was only just and equitable that the re-establishment program should provide for their needs as well as for those who would not be discharged until after the war.

The Prime Minister replied on November 1 (Appendix 5) assenting to my proposal and the committee was set up by P.C. 4068½ of December 8, 1939. (Appendix 6).

As you will observe the committee consisted of the Minister of Pensions and National Health, convenor, and the Ministers of Public Works, National Defence, Agriculture, Labour and the Honourable J. A. MacKinnon, who was at that time a Minister without Portfolio.

The committee was directed to investigate the adequacy of existing governmental machinery and to make recommendations with regard to expansions, additions or re-adjustments. Authority was also given for the appointment of advisory committees to be selected from the personnel of government departments or agencies.

Two other measures adopted prior to the end of 1939 were:

P.C. 2584 of September 7, holding open for their return the positions of dominion government employees joining the armed forces; and

P.C. 3359, of November 10, bringing merchant seamen and salt water fishermen under the Pension Act with respect to death or disability caused by enemy action or counter-action.

May I say in passing that I am not at this time tabling these two orders in council nor some others to which I shall refer, because they have been superseded by other and improved measures. When the committee deals with concrete legislation, however, all these documents showing the progressive history of a proposed measure will be made available in convenient form.

1940

One of the most notable events in 1940 in the matter of planning for post-war emergencies was the introduction and adoption of the Unemployment Insurance Act, Chapter 44, a copy of which is before you on Appendix 1 at page 157.

It was considered that the period of high employment upon which the country was then entering afforded a timely occasion for introducing this legislation and insuring the stability of the fund. It was realized that with the end of the war many thousands of industrial workers would inevitably face a period of interrupted employment. The payment of unemployment benefits during the transition period upon which we have now actually entered was calculated to help maintain purchasing power and provide an economy in which demobilized members of the forces would find employment opportunity.

While it is true that the Act as originally adopted did not provide unemployment insurance benefits for discharged members of the forces the means for doing this were already under consideration and, as will later be indicated, the Act is today playing an important part in rehabilitation policy.

Pursuant to the authority given to the Cabinet Committee on Demobilization and Re-establishment, that committee, early in 1940, began the organization of a General Advisory Committee of government officials under the chairmanship of the late Brigadier General H. F. McDonald, chairman of the Canadian Pension Commission.

The General Advisory Committee held its first meeting on January 19th, 1940, and arranged for the formation of 10 subcommittees to deal with the following subjects:—

1. The re-education and re-training of casualties whose disablement precludes them from resumption of their pre-war employment.
2. Policy with regard to post-discharge pay or gratuity.
3. The policy regarding utilization or extension of existing machinery to assist in the reinstatement of discharged soldiers in employment.
4. The consideration of the desirability of establishing a form of industrial training for those younger men who by reason of pre-war economic conditions are lacking in that respect.
5. The consideration of the desirability of providing facilities for the continuation of interrupted secondary education or professional training.
6. The question of the inauguration of a program of public works and the utilization of discharged personnel on such work.
7. The question of assistance to industrial enterprise.
8. The consideration of policies of housing and municipal assistance.
9. The administration of surplus canteen or other funds available at the close of the war for the future benefit of discharged men.
10. The policy of agricultural settlement.

As the General Advisory Committee proceeded with its work it was found desirable that its status should be clarified by a further order in council

which was enacted on October 8th, 1940. (P.C. 5421 is tabled as Appendix 7.) An important paragraph in this order in council is that requiring all departments or agencies of the government and employees and officials thereof to co-operate with the committee and furnish information required.

Results began to flow very quickly from the work of the committee and on December 19th by P.C. 7521 (Appendix 8) provision was made for a rehabilitation grant of one month's pay and dependents' allowances to be issued to each member of the forces upon his discharge provided he had served for a period of not less than 6 months. This was in addition to the provision of transportation to the man's home and a clothing allowance, which at that time was \$35.

On November 27th of the same year it was decided to organize a rehabilitation branch in the Department of Pensions and National Health to administer the civil re-establishment service of the department alongside the treatment branch which was concerned with physical rehabilitation. The formation of this branch was authorized by P.C. 6282 of November 27th, 1940, (Appendix 9). Mr. Walter S. Woods, until that time chairman of the War Veterans' Allowance Board, was appointed Associate Deputy Minister in charge of the rehabilitation branch.

In November and December of the same year two orders in council were passed providing for the remedial treatment of discharged personnel and for the maintenance of their dependents during such treatment.

On December 21, a committee to consider the disposition of canteen funds was set up by P.S. 7520, tabled as Appendix 10.

1941

Three steps of major importance were taken in 1941:

1. The appointment of the Advisory Committee on Reconstruction.
2. The revision of the Pension Act.
3. The promulgation of the Post Discharge-Re-establishment Order.

The advisability of setting up a separate committee to study the broad problem of post-war economic reconstruction arose out of the deliberations of the General Advisory Committee, which found that some of the problems of rehabilitation of ex-service men could not be adequately solved without understanding of the broad economic trends likely to be encountered. I brought this matter to the attention of the Prime Minister in a letter dated February 12, 1941, (a copy of which is tabled as Appendix 11).

The ensuing order in council P.C. 1218 broadening the powers of the cabinet committee to include the reconstruction as well as the demobilization field was enacted on February 7 and is tabled as Appendix 30.

P.C. 6874 formally constituting the Advisory Committee on Reconstruction was not adopted until September 2, 1941, and is tabled as Appendix 31.

Actually the first informal gathering of the members of the new Committee on Reconstruction was held in my office, as early as March 22, 1941. I tabled as Appendix 12 an extract from the Minutes of that meeting, in order that you may be informed of the nature of the studies which, as chairman of the cabinet committee, I asked these gentlemen to undertake.

The second important forward step of 1941 was the review of the Pension Act. The government introduced a bill which was referred to a committee of the House of Commons consisting of members and ex-members of the forces. That committee heard representations from influential delegations of ex-service men and others, as a result of which the original bill was modified and altered at various points.

The Reference Manual on Rehabilitation, tabled as Appendix 1 contains at page 323 a copy of the up to date Office Consolidation of the Pension Act incorporating the amendments of 1941.

A great many of the amendments were necessary to give the act applicability to the new war. Thus in the old act there was no reference to the air force. Opportunity was taken to clarify and improve the wording of various sections, and several objectionable features which had given rise to difficulty in the past were removed.

Among the new principles introduced were the following:

With relation to the new war the definition of "theatre of actual war" was greatly broadened as compared with the former conflict. Formerly even Great Britain was not included. Any service outside the territorial limits of Canada in the war of 1939 is service in a theatre of war for pension purposes.

In order to give the Canadian scale of pensions to all Canadians serving in the Imperial forces, including the numerous young men who went over to join the Royal Air Force in the years preceding the outbreak of hostilities, it was provided that any Canadian domiciled in Canada within four years prior to September 1, 1939, who served in the Imperial forces should be entitled to have his Imperial pension raised to Canadian scale in the event of his returning to live in Canada. The same provision applies to the dependents of the fallen.

Effect was given to an earlier order in council providing that the insurance principle should apply only to members of the forces serving overseas. The effect of the order in council was greatly modified by the broadened definition of "theatre of war" and by the addition of an entirely new subsection authorizing the commission to make discretionary awards in cases of death or disability where the former member of the forces or his dependents would otherwise experience economic hardship. May I add that in interpretation of the Act the number of cases outside the insurance principle has been greatly reduced, until today there are very few disabilities incurred during service even in Canada which are not pensionable.

The committee of the House, in addition to dealing with the amendments to the Pension Act, discussed the whole field of rehabilitation and I table as Appendix 13 a copy of the committee's fourth report, dated June 12th, and making a number of recommendations, practically all of which were acted upon by the government within a comparatively few months.

Among the steps taken on recommendation of the parliamentary committee was the enactment of P.C. 8541 $\frac{1}{2}$, extending the civil service preference to persons serving in the current war. A copy of the order in council appears in Appendix 1 at Page 287.

The third notable event of 1941, to which I have referred, was the promulgation of the Post Discharge Re-establishment Order as P.C. 7633, of October 1941.

As this order has been several times amended and ultimately repealed in favour of a re-drafted P.C. 5210, of July 13, 1944, I direct your attention to the fact that P.C. 5210 giving this legislation in its present form appears at page 381 in the Reference Manual.

The Post Discharge Re-establishment Order, I need hardly add, is that which confers upon the department the right to give vocational training, educational benefit, out-of-work benefit, allowances to farmers and others awaiting returns from enterprises upon which they enter as proprietors, and which credits discharged members of the forces entering insured employment with their service time as if it had been spent in the insured employment upon which they enter after discharge.

During 1941 also, the Special Committee on Canteens appointed by P.C. 7520 reported to the government recommending the investment of surplus canteen funds pending determination of the manner in which they should ultimately be utilized. Accordingly, on November 22nd, 1941, by P.C. 74/9130, trustees to invest these funds were appointed. A copy of the order in council is tabled herewith as Appendix 14.

In this same year, but subsequent to the amendment of the Pension Act by parliament, provision was first made for pensioning members of the new women's auxiliary forces. The first regulations on this subject were adopted by P.C. 4/7635 on October 1.

Canadian nationals serving on ships of non-Canadian registry were added to the categories of merchant seamen pensioned for death or disability arising from enemy action or counter-action by P.C. 87/5204, of July 16.

Air raid precaution workers were also given the protection of the Pension Act by P.C. 7147 of September 10, 1941.

1942

Three major items of legislation were enacted by parliament in 1942. These were:—

1. The Re-instatement in Civil Employment Act—Chapter 31—, which appears at Page 411 of The Reference Manual, Appendix 1.
2. The Veterans Land Act, Chapter 13 of 1942, which is at page 515 of the same Manual.
3. The Vocational Training Co-ordination Act, Chapter 34 of 1942, to be found at page 535 of the Manual.

The Re-instatement in Civil Employment Act is the measure which insures to members of the forces who resigned from positions in private employment for the purpose of enlisting that they shall have the right to go back to their former jobs under circumstances no worse than those which would have existed if they had not enlisted.

The Vocational Training Co-ordination Act was a measure to give statutory effect to a series of agreements between the dominion and the Provinces which had originated in the unemployment period for adult education in the vocational field.

The original agreements carried out a recommendation of the Youth Committee of the Royal Commission on Unemployment urging that younger persons in the unemployed field be offered state-assisted vocational training. The dominion and the provinces divided the cost and the provinces, owing to their jurisdiction over education, supplied the facilities. Later the same formula was used in connection with the training of industrial workers for war industry.

The importance of the Act with relation to the rehabilitation of ex-service men is that the vocational training provided for ex-service men is given very largely in existing institutions operating under provincial authority. The dominion, of course, bears the whole cost of the training of ex-service men.

The three measures enacted during 1942 were all dealt with by select committees of the House of Commons. The reports of these committees appear in the journals of the House for that session.

The Veterans' Land Act was dealt with by a "Special Select Committee on Land Settlement of Veterans of the Present War."

The Vocational Training Co-ordination Act was examined by a "Special Select Committee on Vocational Training."

The Re-instatement in Civil Employment Act was reviewed by the "Special Select Committee on Canteen Funds," which committee, as its name implies, also gave special study to the disposition of canteen funds.

As the Report on Canteen Funds appears in the journals of the House and is thus available to honourable members it is unnecessary for me to table a copy herewith. But as the report deals with a matter of great importance I would direct special attention to No. 114 of the journals of the House, July 22, 1942, page 577 to 584.

The House of Commons committee which recommended adoption of the Veterans' Land Act had before it the able and comprehensive report of the subcommittee on Land Settlement of the General Advisory Committee. This

subcommittee included in its membership, not only able and experienced civil servants, but several gentlemen from private life who had wide experience in connection with farming and settlement matters. They made an exhaustive study of the problem for a period of many months and eventually in their report laid down what have become the basic principles of the Act.

Their fundamental assumption was that a farmer could not expect to succeed if he were obliged to assume as a debt the whole cost of his property, his stock and his equipment. They advanced the propositions that numbers of members of the forces were experienced in farming and wished to return thereto, and that secondary industry could not be relied upon for permanent post-war employment for all members of the military forces in addition to those engaged in industry prior to and during the war. They pointed out that the state had had to absorb a substantial portion of the cost of soldier settlement under the former Act and recommended that this cost be assumed from the outset in the new scheme.

I table their report as Appendix 38 and you will find that its principles were followed very closely in the Act which is before you.

At the same session of 1942, the House appointed another special committee whose work is of interest to us here. This was the committee on Reconstruction and Re-establishment. I table as Appendix 15 a copy of my resolution of March 24th calling for the appointment of the committee and as Appendix 16 a copy of the third report, of the committee, July 20th, containing its substantive recommendation.

During 1942 a further class of persons rendering important war services was brought under the Pension Act by P.C. 100/2757 of April 4. These were the members of the newly formed Corps of (Civilian) Canadian Firefighters.

In the budget of 1942, by which time our war taxation had reached a very high figure, specific provision was made to exempt war pensions from taxation.

1943.

The House of Commons Committee on Reconstruction and Re-establishment was reconstituted in 1943 and presented two comprehensive reports. I table as Appendix 17 my resolution of February 24th calling for the appointment of the committee; as Appendix 18 the second report of the committee dated June 23rd; and as Appendix 19 the fourth report dated January 26, 1944.

The Advisory Committee on Reconstruction, presided over by Principal James, also presented its main report to the government on September 24, 1943, and I table a copy as Appendix 20 together with a series of reports from its principal subcommittees. The report on agricultural policy, dated December 26, 1943, is tabled herewith as Appendix 20; the report of the subcommittee on Conservation and Development of Natural Resources, dated September 24th, 1943, is Appendix 20B; the report of the subcommittee on Publicly Financed Construction Projects is tabled as Appendix 20C. The monumental report on housing and community planning, dated March 24, 1944, appears as Appendix 20D; and the report of the subcommittee on Post-War Employment Opportunities dated September 24, 1943, is tabled as Appendix 20E. The report of the subcommittee on the Post War Problems of Women is Appendix 20F.

The publication of these various reports had a profound effect in stimulating public interest in the post-war economic problems with which the country is today confronted. The painstaking and exhaustive fact-finding studies conducted under the direction of the Reconstruction Committee gave to the government and to the country an invaluable guide to straight thinking on this vast and intricate problem.

With the publication of these reports, the Advisory Committee on Reconstruction disbanded and further studies in that field became the responsibility of the Advisory Committee on Economic Policy originally set up early in the

war and reconstituted by P.C. 608, of 1943, copy of which is tabled as Appendix 21.

On September 25, 1943, the General Advisory Committee on Demobilization and Rehabilitation also presented to the cabinet committee a comprehensive report reviewing its activities up to that date, a copy of which is tabled as Appendix 22.

Another important event in connection with our post-war planning to develop in Canada a social and economic system worthy of a people who have sacrificed so greatly in the cause of democracy and freedom was the appointment at the 1943 session of a select committee of the House of Commons to examine into the subject of a national plan of social insurance.

I table as Appendix 23 a copy of the Prime Minister's resolution of March 3rd calling for the appointment of this committee.

A great deal of preparatory work has been carried out departmentally on this subject and the results of that work were presented at the committee at the commencement of its proceedings in the form of two comprehensive documents which I again present to this committee as part of the record with respect to post-war planning in the field of reconstruction and rehabilitation.

The first of these is the report of the Advisory Committee on Health Insurance, which becomes Appendix 24.

As Appendix 25 I present the special social security report of the Advisory Committee on Reconstruction, arising out of the direction given to that committee on March 22, 1941, a copy of which has already been tabled as Appendix 12.

The House of Commons Committee on Social Security of 1943 recommended immediate action upon one aspect of the Health Program, as a result of which the National Physical Fitness Act, Chapter 29 of 1943, was enacted. A copy is tabled as Appendix 26.

On the broader subjects referred to it, the committee's observations are found in its fourth report, dated July 23, 1943, a copy of which is presented herewith as Appendix 27.

Before passing on to the developments in 1944, I should table P.C. 18/5610, Appendix 28. By this measure, the 1939 order in council protecting the reinstatement rights of civil servants joining the forces was amplified and clarified. An excellent digest of this order in council appears at page 261 of the Reference Manual.

During 1943, the Sub-committee on Demobilization of the General Advisory Committee made an intensive study of demobilization procedure and, on December 3rd, held a joint meeting with the Advisory Committee on Economic Policy at which the two committees agreed on a report on this subject for the guidance of the various government departments concerned. Although subsequent events led to certain departures from this joint recommendation, the report may constitute a basis for any investigation which this committee sees fit to make into that subject. Accordingly, a copy of the report of the joint meeting is tabled as Appendix 29.

During the session of 1943, parliament approved an entirely new measure in the interest of the widows of deceased members of the forces. An appropriation was passed for the payment of compassionate allowances to the widows of certain veterans coming within the definition of "veteran" in the War Veterans' Allowance Act under circumstances and terms to be prescribed by the Governor-General in Council. The regulations were adopted by P.C. 101/6395 of August 13th, 1943, a copy of which will be given to this committee later on when we are dealing with amendments to the War Veterans' Allowance Act.

This appropriation and order in council authorized the payment by the War Veterans' Allowance Board of allowances of \$30 a month to widows of veterans who had been pensioned or who had served in a theatre of war. The rates of allowances were similar to those paid to veterans under the Act.

The widows who were entitled to allowances were limited to the widows of veterans who would themselves have been eligible for War Veterans' Allowance, and the economic conditions were also identical with those applicable to War Veterans' Allowance.

The adoption of this important new measure for the veterans of the former war in the very midst of the new war is, I think, highly creditable to parliament, in that the problems of the elderly veterans and their dependents were still able to receive sympathetic consideration despite the stress and strain and responsibilities of the great conflict in which we were then engaged.

In this connection I should add that numbers of other major and minor improvements in pension, treatment and allowance regulations for the aging generation of veterans of the war 1914-18 were adopted during the period of the war which has just ended.

1944

The year 1944 was a culminating year in our efforts to plan and legislate for the demobilization and reconstruction period.

The work of our advisory committees, both those set up by parliament and by the administration, had reached an advanced point during 1943, resulting in the presentation and publication of numbers of the many reports and recommendations to which I have already referred. In 1944 these reports bore fruit in a substantial body of legislation which was brought before parliament and enacted in the session of that year. These measures dealt with all three closely inter-related aspects of the post-war problem:

1. Veterans rehabilitation,
2. Economic reconstruction,
3. Social security.

With direct bearing on the rehabilitation of members of the armed forces there were three acts and two major orders in council.

The Department of Veterans Affairs was constituted by chapter 19 of 1944, a copy of which is to be found in the reference manual (Appendix 1) at page 299. This act was timely in two respects. With the increased attention given to health insurance and social services it was appropriate that there should be a special Department of National Health and Welfare. Accordingly the health services, formerly administered by the Department of Pensions and National Health were transferred to the new Department of National Health and Welfare.

Similarly with the heavy responsibility of the coming few years with respect to the re-establishment of the former members of the services it was appropriate that the minister responsible for that activity should be freed of other duties. At the same time effect was given to a long-standing point of view expressed by ex-servicemen's organizations that all veteran legislation, as far as possible, should be under one minister. Accordingly, the administration of the Veterans' Land Act was transferred from the Minister of Mines and Resources to the Minister of Veterans Affairs.

In the same session, parliament enacted the Veterans Insurance Act as Chapter 49. A copy of the Act appears in the reference manual at Page 505.

I file as Appendix 39 three orders in council, P.C. 8051, October 17, 1944, P.C. 3856, May 29, 1945, and P.C. 5604, August 16, 1945, containing regulations passed under authority of the Act. The first mentioned transfers the administration from the Minister of Finance to the Minister of Veterans Affairs.

As Appendix 40, I file the recommendation of the general advisory committee on this subject, together with the minutes of the sub-committee which made the preliminary studies of the principles to be incorporated in this legislation.

While the Act is modelled closely upon the Returned Soldiers' Insurance Act of 1919 it represents an improvement in several important particulars. The limit of insurance that may be taken up is placed at \$10,000 in place of \$5,000 as formerly, and certain clauses about the settlement with beneficiaries have been improved in the interests of clarity and so as to do away with one or two old grievances.

As with the Returned Soldiers' Insurance Act, the broad effect is to give to veterans suffering from disabilities the right to obtain insurance for the protection of their dependents at ordinary commercial rates without medical examination. The premiums represent a low average of the commercial rates for similar insurance and the policies offered are of a variety of types.

The War Service Grants Act, enacted as Chapter 51 of 1944, is to be found at page 545 of the reference manual. This Act provides for the payment to ex-service personnel of war service gratuities based upon the length of their service and whether or not that service was in a theatre of actual war.

Each discharged person receives \$7.50 a month for service in the western hemisphere and \$15 a month for service overseas regardless of rank. Supplementary gratuity gives special recognition to overseas service and is at the rate of 7 days' pay, dependents' allowance and subsistence for every 6 months served outside the western hemisphere. This supplementary gratuity, being based on pay, necessarily varies according to rank.

The third factor of the War Service Grants Act is an innovation designed to provide a compensating advantage for veterans who do not take up education or vocational training benefit under the post discharge re-establishment order and do not take up land under the Veterans' Land Act. The training and land settlement benefits conferred by the special legislation in that field represent a substantial outlay of public funds on the veterans who avail themselves of it. There was a sense of injustice by others who did not need or were unable to avail themselves of these benefits on the score that they did not receive equal assistance. To meet this situation provision was made for entering in the books of the Department of Veterans Affairs a credit in the name of each discharged member of the forces equal in amount to his basic gratuity—this is the \$15 and the \$7.50 a month.

Those who do not take training or land settlement benefit may obtain this credit upon application for any one or more of about ten specific rehabilitative purposes enumerated in the Act. They have to do chiefly with the establishment of the veteran in his home or in a business.

During 1944 also the post discharge re-establishment order, which had been amended a number of times since the original experimental measure of October 1st, 1941, was completely rewritten and consolidated and as I have already mentioned the copy of P.C. 5210 which appears in the reference manual at page 381 is the revised version.

Another important step taken in 1944 was the complete rewriting and simplification of the department's treatment regulations. The famous P.C. 91, which had been amended and revised beyond all recognition, was repealed and the very much improved and simplified P.C. 4465 was adopted in its place. You will find a copy of the new regulations at page 481 of Appendix 1.

In a personal way I derive a great deal of satisfaction from this order-in-council because I am free to confess that the most troublesome problem with which the department has been confronted ever since the outbreak of the present war was the adaption to wartime conditions of the treatment regulations which had grown up in a period when we were dealing with long-discharged personnel returning for treatment for old disabilities.

The provisions of P.C. 91 were so well known among the veterans that there was a great reluctance to make drastic changes, but the number of amendments and alterations which were found necessary to meet new conditions finally compelled us to shed this old garment. Before making this decision I had a

committee, consisting of the former president of the Canadian Legion, the deputy minister of the department, and the director of medical services review the whole situation.

The two most important changes made were, first, the frank acceptance of the provision that members of the services discharged while still under medical care should continue to receive their military pay and allowances until treatment is completed and, second, the reduction of the number of treatment classifications from 22 to 12.

In the economic field there was another series of important enactments during 1944 to which I shall refer briefly because of the part which they are designed to play in maintaining purchasing power and employment during the transition period in which our demobilized forces must find their places in civil life.

By the Department of Reconstruction Act, a copy of which is to be found at page 79, of Appendix 1, parliament created a new ministry. Its functions, which are now being merged into those of the new Department of Reconstruction and Supply, are primarily the formulating of plans for industrial development and conversion, and the co-ordination of the actions of all departments and agencies of the Government for the purpose of insuring that transition from a wartime to a peacetime economy shall be effected as quickly and as smoothly as possible.

The Industrial Development Bank Act, a copy of which appears at Page 95 of Appendix 1, is designed to provide capital for the conversion and expansion of small and medium industrial plants.

The Agricultural Prices Support Act, Chapter 29, of 1944, which appears at page 7 of Appendix 1, establishes a board with power to fix minimum prices at which it may purchase agricultural products. The purpose, of course, is to maintain a floor below which farm prices shall not be allowed to drop.

The Fisheries Prices Support Act, Chapter 42, of 1944, which appears at page 35 of the reference manual, Appendix 1, is designed to perform an exactly similar service with respect to fisheries products.

The Export Credits Insurance Act, Chapter 39, of 1944, appears at page 251 of Appendix 1. The purpose of this Act is to assist the speedy development of Canadian export trade by two major devices:

- (a) by establishing an export credits insurance corporation with power to insure Canadian exporters against loss from a variety of causes inherent in the unsettled economic position of customer nations, whose economies and physical resources have been impaired and even shattered by the war.
- (b) by authorizing the government either to make loans to other governments, or to guarantee their securities, to cover purchases of Canadian products. (In this connection, I should mention an important administrative step in the setting up of an imports branch in the Department of Trade and Commerce for the purpose of assisting in the development of two-way trade, thus enabling the purchasers of our exports to make payments in goods as well as in money.)

The Surplus Crown Assets Act, Chapter 21, found at page 147 of Appendix 1, sets up a corporation and an advisory committee for the purpose of disposing in an orderly manner of the vast quantities of surplus military and other equipment, including industrial plants, the property of the Crown. The importance of this measure in the reconstruction period is best indicated by a negative proposition, that is, the damage that could be done to established business and trade channels if these great quantities of materials were suddenly dumped on the market. One purpose of this Act is to see that these goods are disposed of in such a manner as to assist, rather than break down established channels of trade.

The National Housing Act was revised and broadened in the light of the intensive studies which had been conducted by the parliamentary and general advisory committees on reconstruction and other agencies. Now that the war-time demand upon materials and labour has terminated we find evidence that its provisions are destined to make an increasing contribution to the solution of the country's acute housing problem. You will find a copy of the Act at page 115 of Appendix 1.

The United Nations Relief and Rehabilitation Administration Act, and the United Nations Mutual Aid Act, copies of which are tabled as Appendices 32 and 33, have a place in this context, because, undoubtedly, whatever the financial arrangements may be, the contribution to be made by Canada to the relief of devastated countries will help to maintain production and employment in the transition period at home.

In the field of social security, two important measures were adopted by Parliament in the session of 1944:

- (a) The Department of National Health and Welfare Act.
- (b) The Family Allowances Act.

In connection with the National Health and Welfare Act, a copy of which is tabled as Appendix 32, I have already referred to the fact that certain functions of the Department of Pensions and National Health were assigned to this new department. At the same time, the minister of that department has been charged with the development of a national co-ordinated system of social welfare services. A beginning to this end has been made in the Family Allowances Act and in the Dominion-Provincial Conference looking to a new agreement covering the financial and constitutional powers of the Dominion and the Provinces so that each jurisdiction may play its appropriate part in the development of real security for the people of Canada.

The Family Allowances Act, found at page 87 of Appendix 1, is an essential foundation stone in the erection of a structure of national social security in Canada, and is already playing an important part in supplementing the incomes of the low-income group. It is of special importance to war workers whose employment has been interrupted, in that it supplements unemployment insurance benefit in proportion to the number of children in the family. It also constitutes an important addition to war pension in families where there are children.

The year 1944 witnessed a number of other important steps in the organization of the country for the period of demobilization and reconstruction.

A cabinet committee on reconstruction was formed by P.C. 7993, copy of which is tabled as Appendix 35.

In recognition of the importance of disseminating suitable public information; the rehabilitation information committee, an interdepartmental committee of public officials, was set up by P.C. 8094 to co-ordinate the activities of the several government departments concerned with demobilization, rehabilitation and re-establishment.

Appendix 1, the reference manual on rehabilitation, represents a part of the work of this committee, and the smaller handbook on rehabilitation for the use of government officials, which I now table as Appendix 36, was also compiled under the direction of the same committee.

I have also arranged for the distribution to the committee of a number of other booklets and pamphlets which were issued by the committee or by departments of the government with the approval of the committee. These are:

Issued by the Department of Veterans Affairs:

"Back to Civil Life" (Appendix 41)

"What's Ahead" (Appendix 42)

"The Veterans' Land Act, 1942 Handbook" (Appendix 43)

"The Community and Re-establishment" (Appendix 44).

Issued by the Department of Labour:

"Dismiss—But what of a JOB?" (Appendix 45)

Issued by the Department of National Defence for Naval Services:

"Naval Rates—Their meaning for EMPLOYERS" (Appendix 46)

Issued by the Royal Canadian Air Force:

"Employers Guide—An aid for employing former members of the Royal Canadian Air Force" (Appendix 47).

Issued by the Rehabilitation Information Committee:

"The Machinery of RE-ESTABLISHMENT" (Appendix 48)

"A Home on Civvy Street" (Appendix 49)

"The Common-Sense of RE-ESTABLISHMENT" (Appendix 50)

"Reference Manual on Provincial Rehabilitation Measures" (Appendix 51)

Issued by the Canadian Legion Educational Services:

"How to Choose Your Post-War Job" (Appendix 52).

"How to Start Your Own Business" (Appendix 53).

A very valuable document indicating the government's approach to the whole reconstruction problem was tabled as a "White Paper" by the Minister of Reconstruction during the session of 1945. For the convenience of members of this committee, I have arranged for its inclusion among the material with which you are being furnished, as Appendix 37. I am in the hands of the committee. Do you wish me to conclude?

Mr. GREEN: You cannot complete it by one o'clock?

Hon. Mr. MACKENZIE: No. There are two other portions, one dealing with new legislation. There are four specific sections in the presentation. I am in the hands of the committee. Would you rather adjourn now?

Mr. ADAMSON: We would only get half-way through the next section.

Hon. Mr. MACKENZIE: We could complete it in about an hour and a half the next day that we decide to meet, if that is the wish of the committee.

The CHAIRMAN: The idea of the steering committee was that the committee would have the entire statement for perusal over the week-end. Would it meet with the approval of the committee to meet to-morrow morning and continue this presentation? We could meet at 11 o'clock. We would be able to get through.

Mr. QUELCH: And then conclude?

The committee adjourned at 12.50 p.m. to meet again on Friday, October 12th, 1945, at 11 o'clock a.m.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 12, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The minister will continue his statement, gentlemen.

Hon. Mr. MACKENZIE: Gentlemen, yesterday you heard the first two portions of the presentation which I want to place before the committee. It was purely factual. This morning I shall continue with the second two parts which, you will be glad to know, are shorter.

GENERAL AND STATISTICAL REVIEW OF RECENT ADMINISTRATIVE EXPERIENCE

In the foregoing review of the six year evolution of Canada's post-war rehabilitation program, year by year, I have covered only the highlights and perhaps not all of them. Certain omissions were intentional.

Thus, in the interests of clarity, matters that are to be dealt with by this committee have been only touched upon until I come to deal with the specific proposals calling for action.

Similarly there are some phases of the program that have been developed by gradual stages. I see no object in analyzing the various steps by which final results have been reached, as it is with the latest phase of development only that this committee will be directly concerned.

However, there are one or two general matters that should be mentioned before we go on to the specific proposals with which the committee will be asked to deal.

Thus, I should like to make it clear that the women members of the forces have been brought under all rehabilitation legislation on the same terms as the men. From the standpoint of our legislation and administration, they were members of the forces and they are veterans.

Then I should mention that the staff of the Department of Veterans Affairs has been greatly enlarged and is still expanding to cope with the responsibilities laid upon it. In recruiting our new staff we are accepting on the male side only war veterans, and to a predominant extent, veterans of the present war. The deputy minister and other senior departmental officers have visited the forces overseas along with representatives of the Civil Service Commission to insure that overseas personnel had the fullest possible opportunity to apply and be examined for the most responsible positions in the department. The services, even before fighting ceased, agreed to release men with special qualifications needed by our department, if they could possibly be spared.

For stenographic and other duties usually performed by women, we have given full preference to former women members of the forces, and we are organizing a special division for the rehabilitation of women which is staffed by women who have served in the forces.

Interviewing and counselling officials have been trained for their duties in special schools conducted by the Department of Veterans Affairs. Ten such courses have been held, each lasting three to four weeks and with an enrolment averaging more than one hundred each. These classes have included not only members of the staff of my own department, but officers of the defence services

who do the preliminary counselling prior to discharge and officers of the Department of Labour who are especially assigned to handle the placement of veterans through the National Employment Service.

Recognizing that government machinery can go only so far in guiding the rehabilitation of individuals, we have sponsored and assisted in the formation of voluntary committees of private citizens in all principal cities and towns throughout the country. The number of such committees is now in excess of 650, and we have had their leading members in for consultation on two occasions. I wish to pay my tribute to the several thousand men and women drawn from all classes of the community who have given of their time and effort without stint to assist ex-service men and women in their rehabilitation problems that fall outside the scope of legislation, or that require the guidance and help of members of the veterans' own communities.

We have several types of specialized advisory committees dealing with the selection of those who may be considered qualified for settlement on the land, with the valuation of properties to be purchased by the Veterans' Land Act Administration, and with the granting and expenditure of re-establishment credit. The work of these committees is invaluable to the veterans because it insures to them the practical advice of experienced men and women of affairs, as well as that of the departmental counsellors and vocational guidance staff.

I think also that this is an appropriate point at which to give you some concise statistical records of the solid achievements of the program which is now being submitted to you for revision and consolidation in parliamentary enactments.

The latest available discharge statistics are those for the quarter which ended on June 30 last. At that date the number of members of the forces, men and women of all three services, discharged to civil life was 239,919. As the rate of discharge has been greatly accelerated since the end of the war in both Europe and the Far East, I am sure we should not be far out in estimating that the number today is in excess of 300,000.

As at July 31, the Department of Labour has a record of 287,482 placements in employment of ex-members of the forces since April, 1942, when the keeping of separate records was begun.

While this figure is an impressive record of achievement, it is not entirely valid as an indication of the number of veterans of the present war placed in employment for three reasons:—

1. It includes veterans of the former war.
2. It includes replacement of the same individuals.
3. Many discharged persons either go back to their former jobs, return to their own farms or businesses, or find work unaided.

But there is another test which by elimination shows conclusively that men and women discharged from the forces during the past two or three years have found their places in civil life speedily and effectively. That is the number registered as in search of employment and unplaced.

On July 31, that figure stood at 11,306. As discharges had by that time attained the rate of more than 20,000 a month, it is apparent that the number unplaced represents a normal turn-over that is keeping pace with demand.

This is further corroborated by our departmental records of "Out-of-Work Benefit". Newly discharged persons who are unable to find reasonably suitable employment are entitled to this benefit 39 days after discharge, that is, nine days after expiry of the period covered by rehabilitation grant.

The number on "Out-of-Work Benefit" on July 31 was only 599 in the whole of Canada. This is no exceptional figure. The greatest number we have ever had on out-of-work benefit at the end of any month since April, 1942, was 1,038.

Another striking figure is the number of discharged persons who, having entered insured employment, qualified for the payment by the government of the insurance contributions covering their period on military service. Up to July 1945, we had paid these unemployment insurance contributions for no fewer than 28,123 discharged persons, the aggregate amount of the contributions being \$933,248. As a result of these payments, the persons affected are entitled, in the event of interrupted employment, to insurance benefits for periods based on the assumption that their military service was time spent in insured employment.

The number of veterans granted assistance under the various other provisions of the Post-Discharge Re-establishment Order, from November 1, 1941, to July 31, 1945, is as follows:—

Out-of-work	8,176
Vocational training	10,690
Awaiting returns	1,574
Temporary incapacity	2,807
Education	2,057
Total	24,304

Compiled statistics are always in arrears, but I am glad to be able to say that in recent weeks the number of applications for educational and training benefits has shown a sharp increase, facilitated, no doubt, by the service policy of expediting the discharge of those who contemplate entering or return to university. I am informed today that the number of ex-service personnel attending university in Canada is more than five thousand.

The number of pensions in payment for death or disability arising out of the recent war had reached a total of 33,535 at the end of July. The annual liability with respect to these awards stood at \$17,114,346.

It may be of interest in this connection to note that the highest figure reached, representing annual pension liability, arising out of the former war was \$41,858,377. That figure was reached in 1932, which was 14 years after the end of the war. There has been a decline since 1932, and the present annual liability for pensions arising out of the First World War stands at \$37,147,677.

The annual liability for pensions from the recent war is increasing at the rate of approximately one million dollars a month, and the appropriation for which we have asked this year is \$20,000,000.

Some detail about awards may be of interest.

Dealing only with male members of the forces, the number of awards arising from service outside Canada is 28,080, and for service within Canada 4,813.

Referring again only to the same group, the number of disability pensions in force is 19,012, and the number of awards to dependants is 13,881.

There have been 108 awards with respect to women members of the forces, and 462 awards for the various civilian classes who have been granted the protection of the Pension Act. Although the numbers have been small, some members of every one of these civilian classes have received awards. The figures are as follows—

Mariners	396
Fishermen	22
Auxiliary services	5
Civil government employees	6
R.C.M.P. special constable guards	7
Civil defence	5
Fire fighters	21
Total	462

Some indication of the workings of the commission may be given if I refer to the number of hearings that have taken place.

Since early in 1944, there has been a revised procedure for hearing claims arising out of the recent war. It is the practice that the files of all persons discharged on medical grounds shall be reviewed and, where there is any indication of pensionability, the matter is brought before the commission on what is technically known as a first hearing. In these cases, the initial decision is given whether or not there is an application from the member of the forces.

The number of initial decisions rendered in this way in connection with overseas personnel who have experienced injury or disease is 69,503:—

Claims fully granted number.....	13,697
Claims partially granted number.....	7,255
Pensions not granted number.....	48,551
	<hr/>
	69,503

Of those not granted, the majority took no further action, but, of those who proceeded further in their claims, the following figures reveal that the commission is open to revise its earlier decisions on second hearing or appeal when additional evidence or argument sheds a new light on the case:—

Pensions granted or partially granted.....	1,500
Pensions granted by appeal boards.....	760

The commission has also rendered decisions on an additional 25,000 cases with service in Canada only, of which 2,242 resulted in pension awards.

The number of awards granted under the new Section 11-3 introduced in 1941 is 1,923, and it is estimated that, in the event of economic hardship arising in the future, no fewer than 12,313 additional cases would be entitled to consideration under this section as a result of rulings that the injury or disease resulting in disability was incurred or aggravated during service.

The work of the commission is well in hand and claims for wounds and serious disability are usually dealt with by the commission within a week or so of the receipt of the proceedings of the medical board on discharge.

The work of the appeal boards, which is necessarily much more deliberate since great care is expended in the preparation of the claims, is also well up to date. On August 31, there were 750 cases listed as ready for hearing and approximately 200 were disposed of during the month of September.

A small number of pensions from the First Great War were suspended as the result of enemy occupation of the countries in which the pensioners resided. Through the co-operation of the Department of External Affairs, the commission has taken energetic action towards the reinstatement of such pensions at the earliest possible moment after liberation.

One of the responsibilities entrusted to the commission during the war has been the administration of detention allowances for seamen of Canadian nationality captured by the enemy or interned by neutrals. As these seamen were liberated, arrangements were made through the good offices of the High Commissioner for Great Britain and the overseas representative of the Department of Veterans Affairs for making substantial advances of credit to these seamen on their arrival in Great Britain. On arrival at a Canadian port, they were again met and issued with further cash credits pending final adjustment of their accounts.

I have said little about the expansion of our hospital services but this has been one of the most important and taxing responsibilities of the Department of Veterans Affairs during the past six years.

When war broke out the department was operating 8 hospitals.

To-day we have 15 active treatment hospitals, 7 veterans' homes, 5 other institutions of various types and 4 active treatment pavilions attached to general hospitals under other administration, such as the University of Alberta.

The nominal capacity of the 8 hospitals as reported in September, 1939, was 3,588 beds.

Those 8 hospitals alone have to-day, through new buildings and additions, a capacity of 6,864 beds.

Total bed capacity as reported on September 9, 1945, in departmental hospitals and veterans' pavilions was 9,860. It is estimated that these same hospitals could accommodate on an emergency basis an additional 1,100 beds.

When war broke out we still had on our strength 2,666 patients from the old war. Of these, 1,729 were in our departmental hospitals and 937 were in municipal and other general hospitals with which the department had contractual relations by which the department paid an agreed per diem amount for each of its patients.

Thus, when the recent war broke out, the department had approximately 1,859 vacant beds and, despite repeated near-emergencies, this surplus has been fairly well maintained throughout the war years. On September 29, 1945, the number of vacant beds in our own institutions was 2,442 with an additional estimated emergency capacity of approximately 1,100.

Actually, due to new construction and to the acquisition of hospitals no longer required by the armed forces we have another several hundred beds in premises which can be occupied immediately. In this connection I might mention Sydney where a military hospital of 100 beds is completely ready but no patients have yet been moved into it. It will be appreciated that there is a short period after a building is ready during which staff is being assembled and in which it would not be right that patients should be taken in.

The weekly hospital statement of September 29 shows that on that date the department had on its strength 9,904 patients made up as follows:—

From the last war.....	2,399
Undischarged members of the forces.....	2,098
Discharged personnel who have served in the recent war	5,238
Others	169

Of these 9,904 patients we had 7,418 in departmental hospitals and 2,486 in contract hospitals.

The figure of 9,904 patients on our strength includes only those who are actually hospital patients. In addition we had on that date 4,368 out-patients reporting to our clinics for treatment.

During the war we have developed two entirely new types of institution for veterans.

Until 1942 aged and totally incapacitated veterans for whom it was desirable that custodial care should be provided were accommodated in special wards of our active treatment hospitals. This was never particularly desirable and became impracticable with the tremendous increase in active treatment cases during the war years. Accordingly we have established 7 veterans homes and expect to have such institutions in each of our departmental districts.

While medical supervision and hospital services are available in these veterans homes the patients do not require all the intensive services needed in an active treatment hospital. The policy is rather to create a homelike, residential atmosphere. The 7 operating veterans homes have a capacity for 553 patients and the new building shortly to be opened in Saint John will provide accommodation for another 35.

In London, Ontario, a separate institution has not been established since there is connected with Westminster Hospital a veterans pavilion having most of the features desirable in a veterans home.

Including London we have more than 500 of these elderly and incapacitated veterans comfortably provided for.

The other new type of institution is known as a Health and Occupational Centre. As is known to the members of this committee the first such centre has just been opened on the outskirts of Ottawa.

The purpose of the Health and Occupational Centre is to expedite convalescence. We regard the atmosphere of work and industry in these Centres to be as important as purely medical services. Our medical advisers foresee increasing use for these centres as the years go by when we come to deal with the veteran who has lost some of his self-confidence through recurrent breakdowns.

The location and selection of suitable sites for Health and Occupational Centres was a major problem which has now happily been solved and construction will proceed with the utmost expedition. The procedure developed by the Department of Munitions and Supply for expediting construction during the war years is now fortunately available for the purposes of the Department of Veterans Affairs, which should be of material assistance in this connection.

I made reference some time ago to the broadening of policy with regard to providing medical services to veterans for conditions not related to pensionable disabilities.

At the present moment the Department of Veterans Affairs has to be equipped for the following purposes:

1. to provide treatment for all pensioned disabilities;
2. to provide treatment to all discharged members of the forces for any conditions within twelve months of the date of discharge;
3. to provide treatment to all ex-servicemen who have served in a theatre of war for non-pensionable conditions when the veteran is considered unable to provide such treatment at his own expense.

We estimate the number of disabled pensioners who may require treatment for their pensioned disabilities out of both wars at 100,000. We have records to establish that the proportion of disability pensioners in hospital at any one time is 6.6 per cent. For this purpose we require 6,600 beds.

The number of veterans who have had service in a theatre of war in the two wars will, when demobilization is completed, be approximately 800,000. If we take away the 100,000 disability pensioners we have 700,000.

Our regulations with regard to free treatment assume that any man whose income is less than \$100 a month is unable to provide hospital and medical services at his own expense. The Bureau of Statistics reports that approximately 70 per cent of male workers in Canada earn less than \$1,250 a year. Seventy per cent of the 800,000 veterans who have served in a theatre of war is 560,000. If we have to provide hospitalization for 1 per cent of that number at one time we shall require another 5,600 beds or a total, adding the 6,600 beds required for pensioners, of 12,200 beds.

Our present construction program is calculated to increase our capacity in the next couple of years to approximately 16,000 beds but among that 16,000 beds will be around 5,000 which are in obsolescent structures. I need only mention Ste. Anne de Bellevue, Camp Hill and Christie Street to indicate what is meant.

I do not believe either Parliament or the public have yet appreciated the extent to which the medical services of the Department of Veterans Affairs have been expanded by these new treatment regulations. We are in effect giving a modified health insurance service to more than 650,000, or approximately one-third of Canada's male working population.

I referred a few minutes ago the fact that we have now 4,368 enrolled out-patients. Our out-patient clinics are giving approximately 40,000 treatments a month and a very large proportion of these are for ordinary ailments not specifically related to war service.

We have had our difficulties with staff and premises.

If I might depart from my text for a second I should be very glad if the committee would look into this matter. Our two great problems today are staff and space. I would appreciate any co-operation from the committee in regard to definite constructive suggestions especially in regard to space.

The armed forces necessarily took out of the civilian population a disproportionate number of medical practitioners and I have no hesitation in saying that we should have had great difficulty in maintaining the services in our veterans hospitals if the medical corps of the navy, army and air force had not come to our assistance with some of their personnel. Nevertheless while there have been difficulties I do not know of a single instance in which a patient in need of treatment has been unable to find accommodation in our hospitals.

Records of the Veterans' Land Act administration are complete up to August 31, by which date 11,444 applications had been received from former members of the forces, the vast majority since V-E Day. Of these applicants, 4,976 had been approved as qualified.

The total number of properties purchased was 3,163, with an acreage of 404,398. The total cost was \$11,744,477. The average cost of farm land in these transactions has been \$20.10 per acre, and of land for small holdings on the outskirts of towns and cities \$184.33 per acre.

The number of applications for farm loans to August 31st was 720, of which 448 had been approved.

The number of applications for loans on small holdings was 1,073, of which 710 had been approved.

The number of applications from fishermen was 20 and of these 15 had been approved.

The small holding loans just referred to are in connection with developed properties selected by the veteran or sold to the veteran from among properties acquired by the administration. During the present season, the administration is also building 2,700 houses on sub-division properties acquired by the director for this purpose.

I leave my text for a second to mention one very important matter. Those who were here in the committee of 1942 considering the Veterans' Land Act reaffirmed the provision in the old Soldiers Settlement Act that real estate advisors would not be called in in regard to the valuation of properties for soldiers' settlement. Unfortunately that has caused some antagonism all across Canada, and there have been some complaints in regard to the purchase of properties. I recall there was one at Windsor and one at Edmonton. If we have time I should like the committee to call evidence and look into all these complaints and see how far they may be justified. My information from our own regional and local committees is that they are not justified in any case, but if they are justified I should like to have the advice of the committee as to whether they would like to review or revise the opinion given me by the committee of 1942.

Mr. GREEN: Have you given consideration to inviting the real estate exchanges to make representations?

Hon. Mr. MACKENZIE: There is no objection as far as I am concerned. There were two specific complaints came to me. In each case I had a body of investigation go into the complaints. The report I have received is that they were not justified, but I would be very happy to have this committee look into it.

Mr. GREEN: I do not know what the condition is in other parts of the country but in our province the real estate organizations are very sound. I think the men are all bonded, and they were very much hurt by the fact they were ruled right out from having anything to do with these men.

Hon. Mr. MACKENZIE: You know that the same provision was there for twenty-five years in the old Act.

Mr. GREEN: I realize that.

Hon. Mr. MACKENZIE: I should be very happy to have the committee call them in and get the best advice.

Mr. GREEN: In many cases men have complained to me they were losing the chance of getting various properties because they could not get advice from any real estate man.

Hon. Mr. MACKENZIE: My own memory is not very definite on the point, but my recollection is that the Canadian Legion were very much opposed at that time to having any third party interfere in the valuation of properties for soldiers' settlement, but if this committee should look into it and give me its advice as to whether we should redraft or revise our policy I would be very grateful for it.

Mr. GREEN: It might be worthwhile writing to the properly organized real estate exchanges asking for representations.

Hon. Mr. MACKENZIE: There is no objection to that.

The last set of figures which I shall present relates to the War Service Grants Act. Payment of gratuity is made by the pay officers of the armed services and as each new account is opened notification is passed to the Department of Veterans Affairs indicating the amount of re-establishment credit to be set up.

Returns from the defence services up to August 31 show that payment of 203,565 gratuities has begun.

My departmental officers are setting up ledger sheets showing the re-establishment credit for each gratuity recipient at the rate of about 6,250 sheets a week.

On August 31, there had been set up 199,768 credit accounts with a total value of \$54,512,621.

Credit had already been issued to the extent of \$5,311,190 and I am sure it will interest this committee to examine and compare the useful purposes to which these funds have been applied.

Home—National Housing Act.....	\$ 37,987 14
Home—not under National Housing Act.....	1,455,451 17
Home—Repairs etc.	545,269 50
Home—Furniture or Household Equipment.....	1,981,601 30
Business—Working capital.....	640,979 54
Business—Tools, instruments, etc.	541,769 12
Business—Purchase of.....	61,613 30
Insurance Premiums.....	39,656 16
Educational—Equipment, Books, etc.	5,775 76
Miscellaneous	1,087 70

Total\$5,311,190 69

NEW LEGISLATION

And now, Mr. Chairman, with that background, I shall try to give you an outline of the specific enactments which are to be placed before you for the consideration of the committee and ultimately, with your concurrence, of the House.

Just a word as to the procedure. It has been a tradition of the Canadian parliament—a tradition of which, as a veteran, I am personally very proud—that our pension and rehabilitation legislation shall represent the agreed opinion of such committees as this, consisting of ex-service members from all

parties. Accordingly, I am bringing before you in an informal way a series of measures that have already been enacted by the Governor in Council under authority of the War Measures Act, with the request that you examine them and give to the House your advice as to the form in which they should be enacted by parliament.

For your convenience the legal officers have refined and consolidated the orders in council into the form of draft bills, so that you may follow the proposals closely. They have also prepared dossiers of the orders in council and regulations upon which the draft bills are based, so that you can trace the history of each measure and understand its purpose and philosophy. Before we settle down to the detailed consideration of the various measures, I shall now outline their broad principles.

PENSIONS

With respect to pensions, there are three groups of amendments depending for their present authority upon the War Measures Act and requiring action by parliament, in order that their effect may be continued beyond the expiry of the government's war emergency powers:

1. Changes affecting former members of the forces who served in the first great war.

2. Provisions affecting members of the forces who served in the recent war (which is described in the Pension Act as the war with the German Reich).

3. Provisions affecting certain classes of pensioners who were not members of the forces but who contributed important national service in their civilian capacities under wartime conditions. These groups are (a) merchant seamen (including Canadian salt water fishermen); (b) auxiliary services; (c) The corps of (civilian) Canadian fire fighters; (d) special constable guards of the Royal Canadian Mounted Police; (e) members of the Royal Canadian Mounted Police; (f) air raid precautions workers; (g) civil government employees.

Early in my remarks, I referred to the fact that, in 1944, certain date-lines were advanced making wives, widows and children of former members of the forces eligible for pension providing marriage or birth took place prior to May 1, 1944. It is desirable that this provision be now incorporated in the Pension Act.

The only other amendment affecting the war of 1914-18 has also already been mentioned. It is that which increases from \$15 to \$30 a month the pension which may be paid a dependent parent of a deceased member of the forces, notwithstanding the payment of pension to a widow or children.

Of those changes which peculiarly affect persons who served in the recent war, the first is that which established regulations pertaining to female members of the forces. You will remember that, in the first instance, women members of the forces were made pensionable at only two-thirds of the rates applicable to male members of the forces. This was later raised to four-fifths and finally to complete parity.

In the original regulations which date from October 1st, 1941, there was a provision that no dependents of a woman member of the forces should be pensionable. While it is still true that the widower of a member of the forces is not pensionable, the commission has been given a discretionary authority to award pension with respect to children. Lest there be any misunderstanding, these provisions do not arise from any question of legitimacy or illegitimacy, but were based on the proposition that a father is primarily responsible for the welfare and upbringing of his children. The conferring of discretionary power upon

the commission is intended to provide for the welfare of children who may be solely dependent upon the mother and is designed to prevent cases of hardship.

As has already been mentioned, there is a general provision in the Pension Act that, when a new application comes forward years after the war and an award is made with respect to a disability incurred many years previously, the commission is not authorized to make the award retroactive by more than twelve months, or, under very special circumstances, eighteen months. This provision was not enacted until many years after the war of 1914-18 and is a sound principle with respect to a war long since ended.

It has been found, however, in the course of the recent war, that, for a variety of reasons, applications are not presented, or decisions are not made within the ordinary time limits, due to delays in securing records, or to administrative difficulties beyond the control of the applicant. Having regard to this difficulty, the commission on April 9, 1945, by P.C. 2395, was given power to extend the retroactive period by an additional eighteen months or a maximum of three years in all, where the circumstances seem to justify such action. The same order-in-council authorizes an additional eighteen months' pension to dependents in respect of the death of a member of the forces where similar circumstances arise.

The next amendment coming before the committee arises basically out of the same difficulty—that of getting speedy access to documents and records while a war is in progress and prior to the assembly in central files of the multitude of records now scattered all over the world. The amendment to which I refer wipes out certain time limits within which applications and appeals must be entered.

The procedure for handling claims arising out of the old war as laid down in the Act was the product of many years of trial and error. In my judgment it meets with the approval of a majority of the organized bodies of ex-service men, who appeared before parliamentary committees year after year, trying to help solve this vexed problem. It is a procedure well adapted to dealing with claims that arise with respect to a war that ended many years ago. There is no restriction against new applications, but there is a three months limit on giving notice of request for a second hearing, and there is a six months limit on notice of appeal. These are the three stages provided for in the Act.

This procedure was found to be cumbersome in dealing with the entirely new demands placed upon it by claims arising out of the present war. It was never designed for that purpose. One of the facts brought out very clearly by the Ralston Commission in 1922 was that many latent disabilities do not become manifest until several years subsequent to the inducing cause. And, as has just been mentioned, it is not always possible while our military establishments and their records are scattered all over the world, to be sure that the last bit of evidence has been procured.

Accordingly, in dealing with applications arising out of the recent war these time limits have been abolished. Every person discharged as medically unfit receives an automatic review of his file by the commission and a ruling. If that ruling is adverse the veteran now has unlimited time in which to apply for a second, third, or fourth hearing, whenever some new bit of evidence turns up. He is not obliged by time limits to put himself to the hazard of final decision by proceeding to an appeal board, nor does he lose his rights through the lapse of time.

These rules have been devised for veterans of the recent war and are working extremely well. We have seen no reason to change the well established procedure with respect to second hearings and appeals on cases arising out of the former war.

Mr. BELZILE: On page A-7 you mention that:

"Prior to second hearing he is furnished with a copy of the summary of evidence on file",

and so on. Then you go on to say:

"If the decision on second hearing is adverse the applicant has a right, within six months, to apply for a personal appearance before an appeal board consisting of three members of the commission."

Is there any new evidence required for that appeal or is the case judged just from the evidence previously submitted?

Hon. Mr. MACKENZIE: New evidence and new argument can be referred to. There is nothing very rigid.

Mr. GREEN: It is wide open.

Hon. Mr. MACKENZIE: Yes. I wonder if my friend would postpone questioning until we have finished the presentation. Then we will have all opportunity for asking questions. As Mr. Green has just said it is wide open.

Turning now to civilian groups, the broad principle is that death or disability caused by enemy action or counter-action is pensionable. Administration is by the Canadian Pension Commission and the general provisions of that Act apply, but special conditions relating to each group have been recognized in the various orders in council which this committee has been asked to review.

The present state of the law regarding merchant seamen and salt water fishermen has been reached by seven progressive steps which will be before you when you consider the proposed amendment, but I shall content myself now with referring to the final result.

Members of the crews of ships of Canadian registry, Canadian salt water fishermen, and Canadian nationals serving on ships of non-Canadian registry engaged in essential war work on behalf of the British Commonwealth or its allies are, with certain modifications, pensionable on the same terms as members of the forces with respect to death or disability caused by enemy action or counter-action, or by extraordinary hazards that result from a state of war.

Claims must be filed within one year of death or occurrence of injury, but this may be extended if the commission is satisfied that delay was due to lack of communication facilities, or to lapses of time before the eligible dependents were advised of the seaman's death.

In the case of seamen who are not of Canadian domicile there is discretion in the commission to fix the amount of the pension with due regard for the exchange value of the Canadian dollar and the standards of living in the country of the pensioner's domicile.

Awards to persons serving on ships of other than Canadian registry may be adjusted in relation to benefits payable by other countries, and there is authority to preclude Canadians from receiving both pension and workmen's compensation benefit for the same injury or death.

In most other respects the ordinary terms of the Pension Act apply to the extent that conditions are similar. One or two special definitions have been introduced for purposes of clarification and these are included in the draft amendments.

We find it necessary to ask for continuation of a special section which we hope will shortly become obsolete, but for which there may still be need for some little time to come. That is the special provision enabling the Pension Commission to pay detention allowances to the various classes of seamen and fishermen already mentioned, during any period of imprisonment or internment by enemy or neutral countries.

The rates are equivalent to the remuneration payable at the time of capture, and the Commission is authorized to make suitable provision for dependents.

We sincerely hope that merchant seamen who are prisoners or internees will all shortly be released, but until this is quite certain it would be unjust that the legislation should be allowed to lapse. There is, for instance, the distinct possibility that some seamen will turn up as prisoners about whose capture we have hitherto never been informed, especially on the Pacific.

Before turning from this subject of merchant seamen—about which one occasionally reads or hears very misinformed comments, I should like to emphasize that our merchant navy, as we like to call it, has been covered by the Pension Act since 1939.

The number of awards in payment is as follows:

Mariners	396
Fishermen	22

Auxiliary service supervisors and helpers are entitled to the protection of the Pension Act from the date of their embarkation for service outside Canada until their services are terminated by the navy, army or air force, providing their appointments were approved by the appropriate senior officer of the force to which they were attached. Helpers are pensionable at the basic rates applicable to all ranks up to and including army lieutenant. Supervisors are pensionable at the same rates as a naval lieutenant, an army captain or an air force flight lieutenant. Overseas headquarters staffs of the four auxiliary services, namely, Canadian Legion war services, the national council of the Y.M.C.A., the Knights of Columbus army huts, and the Salvation Army war services, are pensionable at rates appropriate to their ranks only with respect to death or injury suffered as a result of enemy action or counter-action.

Members of the corps of (civilian) Canadian firefighters are pensionable on the same basis as members of the armed forces, with a special provision relating ranks to equivalent status in the forces.

The Royal Canadian Mounted Police Act contains its own pension provisions, but in 1941 it was considered desirable that adjudication upon all questions relating to claims for compensation for personal injury by accident and assessing the degree of disability incurred by members of that force should be dealt with by the Canadian Pension Commission, which in its long career has acquired a unique and valuable experience. There is a very strong case for making this provision permanent.

Special constable guards employed by the Royal Canadian Mounted Police during the war were made eligible for pension in 1940, with respect to death or injury suffered during the war as a result of the performance of their duties. Only widows and children are pensionable as dependents and all claims must be made within one year of death or termination of employment with the RCMP.

The rates for death are those laid down in the Royal Canadian Mounted Police and for disability are those laid down in a special order-in-council of 1934.

Provision was also made for the protection of that great volunteer army of more than 250,000 men and women who enrolled under the banner of civil defence, trained themselves in the discharge of a variety of important duties that would have been required in the event of an air raid, bombardment or enemy landing, and maintained throughout the long years of the war an efficient emergency organization.

Three distinct groups were brought under the Pension Act: registered voluntary air raid precaution workers, employees of essential services assisting in air raid precaution work, and voluntary evacuation workers.

Pension was made payable at two-thirds of the rates applicable to members of the armed forces with respect to death or injury that might occur in the performance of duties in a designated area during a black-out, during an

authorized test or training period, or as a result of enemy action or counter-action.

If death as a result of war service injury occurs within seven years, dependents may be pensioned.

But widows who married a deceased A.R.P. worker subsequent to the incurrence of the fatal injury and children born more than nine months after the injury are not eligible for pension.

I am happy to say that, in this vast army of volunteer workers who trained so faithfully for an emergency that never came, we have had very few accidents. It has been found necessary to award only five pensions.

Although, aside from a few minor incidents, the war never reached Canadian territory, its conditions entailed upon many civil servants and government employees the necessity of living in and travelling through or over areas subjected to direct enemy action. Such civil government employees, including some who served without remuneration—when sent from Canada on duty—were made eligible for pension in respect of death or injury consequent upon enemy action or counter-action. Appropriate rates of pension were arrived at by a schedule of salaries, each bracket of which was equated for pension purposes to a military rank. The same pension privileges were made applicable to death or injury sustained in air flights on duties arising from the war, excepting flights on scheduled commercial air lines.

WAR VETERANS' ALLOWANCE ACT

The amendments which are proposed for the War Veterans' Allowance Act are very far-reaching in relation to the Act as it stood at the outbreak of war. They are of two kinds.

By far the more important of the two groups is that designed to give effect to changes which have been effected during the war and which are already in operation.

The second group consists of new proposals for the clarification and improvement of the Act without involving fundamentally new principles.

In 1941, 1943 and 1944, by progressive steps, the rates of war veterans' allowance were increased from the original \$20 a month to \$30.41 a month for a single man and from \$40 to \$60.83 a month in the case of a married man. The orders-in-council dealt with these increases as supplementary grants, but it is proposed now that the supplementary amounts shall be consolidated with the basic rates in a single item.

During the war also, a number of adjustments were made with regard to allowable income. At the outbreak of war, allowance was not payable when it would bring the recipient's income above \$365 a year in the case of a single man, or \$730 in the case of a married man. It is now proposed that the changes effected during the war shall be embodied in the statute. Among the items which have been added during the war to the list of classes of income which shall not be deductible from the allowance are:—

War service gratuities;

Assistance from a province or municipality in the way of relief or mothers' allowance paid on account of dependent children;

Family allowances under the Act of 1944, and Unearned income up to \$25 a year.

This last was introduced in order that allowance recipients who had made small investments in victory loans, or who had received bequests of victory bonds, should not have the small income derived from this source deducted from their allowances.

An interesting new provision in this connection, which will commend itself to everybody who has the interests of these old veterans at heart, is with respect to the value of the premises in which the allowance recipient resides.

It was formerly considered that, if the home exceeded \$2,000 in value, the interest on the excess value should be deducted from the allowance. It is now proposed that the value of the home may be \$4,000 without any such deduction.

The original Act was intended for veterans of the Great War. Canadian veterans of the South African War were added at a later date. About a year ago, the government authorized the payment of these allowances to veterans of the Northwest Rebellion and to veterans of the Second World War. These provisions are now being incorporated in their appropriate place in the Act by amendments to the definition of "theatre of actual war".

I have already mentioned the extension of allowances equivalent to War Veterans' Allowance to widows of veterans who would themselves have been eligible. It is now proposed that this measure, originally introduced by an appropriation in the Supply Act, shall be incorporated in a special part of the War Veterans' Allowance Act.

Arising out of the consideration of the very special rehabilitation problem presented by members of the Veterans' Guard and other older men who have been serving in the present war, the government, on October 4th, 1944, adopted what is known as the Veterans' Dual Service Pension Order. In dealing with these men of fairly advanced years who have served in the two wars, there was found to be a small number who had given extended years of service in the two wars without ever having seen overseas service in either war.

The man who has served in a theatre of war in either war is covered by the ordinary provisions of the Act, and it was thought advisable that men who had had extended service in both wars, even though they had not been at the front, should be given reasonable protection in their old age.

The Veterans' Dual Service Pension Order, of October 1944, is, therefore, now being incorporated as a special part of the War Veterans' Allowance Act. Their widows and orphans are also being given the same protection as the widows and orphans of the other classes of veterans covered by the Act.

Another slight amendment necessitated by the inclusion in the forces during the present war of large numbers of women is the clarification of the definition of "veteran", so that it shall not be restricted to male members of the forces.

Among the new clauses are some which, like that to which I have just referred, are merely for the purpose of clarification and improvement of terminology.

One or two of the new amendments, however, merit special mention. It has been decided to ask for power to make additional temporary appointments to the board for periods of one year at a time. It is anticipated that there may occasionally be heavy volumes of new applications and, in order that these may receive proper consideration without delay, it is thought that the board would be assisted by being able to augment its membership.

A clause has been inserted giving the power of regulation under the customary limitations regarding approval of the Governor General in Council.

There has always been a provision that recipients must have been domiciled in Canada for at least six months. It has been decided to recommend that this be reduced to three months.

The bill as drafted is now in four parts: Part I deals with veterans; Part II with widows and orphans; Part III with dual service pensions and Part IV with general provisions which are applicable to all classes of beneficiaries, or are of an administrative character.

WAR SERVICE GRANTS ACT

Under the War Service Grants Act there was conferred upon the Governor General in Council, in addition to the general powers of the Department of Veterans Affairs Act, authority to make regulations. Two sets of regulations were established:

P.C. 9440, of December 19th, 1944, set up a code of regulations for the administration of war service gratuities;

P.C. 165, of January 18th, 1945, set up a code of regulations for the administration of re-establishment credits.

Each of these has been subsequently amended by orders in council clarifying or broadening the original regulations. You will note in reading these orders in council that the powers of the War Measures Act were invoked with regard to both of them because, in certain instances, the regulations went beyond the scope of procedure and tended to vary the terms of the Act itself.

The amendments which are now before this committee are for the purpose of incorporating into the Act the purport of such regulations as encroach upon the field of legislation. With the proclamation of the end of the war and the consequent termination of the authority under the War Measures Act, there can be no doubt that some passages in the regulations would lose their validity.

In incorporating into the Act those principles which have been established by orders in council, we have not necessarily followed the original language, but have sought to improve the phraseology, either as the result of the advice of administrative officers, or of the legal draftsmen in charge of the preparation of the bill. When the subject matter now incorporated in regulations has been embodied in the Act, it will, of course, be necessary to re-write and re-enact the regulations by new orders in council, correcting references and deleting those items which have been included in the Act.

Let me now review the principal points covered by the amendments which are before you.

A board of review has been established to deal with doubtful problems arising in connection with the award of gratuities, and it is proposed that this board be continued.

Section 4 of the Act as passed last session provides that, when a member of the forces entitled to gratuity dies with all or part of the gratuity unpaid, there shall be authority to pay the gratuity to such dependents as have received, or would have been entitled to receive dependents' allowance.

There was a very strong feeling throughout the country that this was unduly restrictive and that gratuity should be paid into a man's estate, even though he had no dependents as defined in the regulations regarding dependents' allowance. Accordingly, last April, by P.C. 2239, it was provided that if no dependents qualified under Section 4, any unpaid balance of gratuity should be paid into the service estate of the deceased member of the forces. In this manner, distribution to the heirs is ultimately assured. As this is obviously an extension of the Act, rather than a regulation, it is included among the amendments now before us.

A good illustration of the difficulty of foreseeing contingencies when new legislation is being drafted is afforded by a further amendment giving effect to the terms of P.C. 3857 of May 29th, 1945. Apparently, a case arose where a beneficiary under Section 4 died before the gratuity had been paid to him or her. Accordingly, a further amendment giving effect to the order in council provides that where the dependent beneficiary also dies, the gratuity shall go into the service estate of the deceased member of the forces.

Although members of the Canadian Women's Army Corps, the Women's Royal Canadian Naval Services and the Women's Division of the Royal Canadian Air Force are today undoubtedly members of the forces as defined in the

Act and in most of our other legislation, it has developed that there was an early period during which members of the C.W.A.C. did not have this status. Accordingly, it was considered advisable to adopt an order in council making it clear that the period of service for which members of the C.W.A.C. are entitled to gratuity began on August 13th, 1941, which was the date of the real beginning of the Corps, although it did not until nearly a year later acquire the status of part of the forces.

Another amendment is necessary to provide for gratuity to personnel called up under the National Resources Mobilization Act and sent overseas under the authority of the order in council adopted last February at the time of the acute reinforcement problem.

The order in council specifically assigned these men to duty in the United Kingdom and the European and Mediterranean operational theatres. Section 2, sub-section (i) of the War Service Grants Act defines service as "time served on active service in the forces while enlisted or obligated to serve *without territorial limitation*." It was observed that the mention of a specific theatre of war in the order in council, sending N.R.M.A. personnel to Europe did not bring them within the literal meaning of sub-section (i). Accordingly, an order in council which is now being incorporated as an amendment to the Act, is designed to entitle these men to their gratuities.

Gratuities and credits are calculated on a monthly basis under the Act. In order to deal with broken time and with instances where personnel on home establishment were sent on command into overseas territory, another amendment provides for calculating individual days of overseas service by adding twenty-five cents a day to the gratuity of \$7.50 a month payable for service within the western hemisphere.

The amendments that deal particularly with re-establishment credit are chiefly in the way of broadening or clarifying the purposes for which credit may be used. Thus, "business" has been defined to include the raising of livestock, dairying and fruit growing. The provision that the credit might be used in connection with the repairing or modernization of the home required that the home should be owned by the veteran. This has been broadened to include a home owned jointly with his wife, or by the wife separately.

An early interpretation of the Act prevented a veteran from using his credit in a partnership business. There was merit in this restriction in many cases. But now that we have advisory committees to look into these applications, we feel it is safe to permit the credit to be used in partnership transactions when the investigation shows this to be justified.

The original regulations permitted the credit to be used for the purchase of furniture, household equipment, tools and implements of the veteran's trade or business. Cases have been encountered where a man's re-establishment could be helped by use of his credit in the repair of such equipment. The definitions have been broadened accordingly. At the same time, for the protection of veterans buying furniture and household equipment it has been stipulated that the credit may not be used for this purpose, unless clear title is given free of repossession clauses.

The provision that the credit may be used for the payment of premiums under any insurance scheme established by the government of Canada has been more specifically defined by naming the following insurance schemes:

The Returned Soldiers' Insurance Act

The Veterans' Insurance Act

The Civil Service Insurance Act

The Civil Service Superannuation Act.

In connection with the Royal Canadian Mounted Police Act and the Militia Pension Act, where there are arrears in pay deductions required to

maintain the veteran's insurance or pension rights, it has been provided that the credit may be used to make up such deficiencies.

Another entirely new purpose for the use of re-establishment credit has been added. That is, the reduction or discharge of indebtedness under an agreement of sale, mortgage or other encumbrance on the veteran's home, but the credit may be used for this purpose only to the extent of two-thirds of the payment made. That is, if the veteran pays \$1.00 he may have \$2.00 of this re-establishment credit for the purpose of reducing or discharging this type of debt. All of these definitions have been incorporated as amendments in the bill which is now before us.

FIRE FIGHTERS AND SUPERVISORS

With respect to certain rehabilitation benefits for the Corps of (Civilian) Canadian Fire Fighters and the Auxiliary Services Supervisors, it is considered desirable to have a separate bill, rather than to incorporate somewhat extraneous matter in other Acts.

The fire fighters did valiant service in combating the consequences of incendiary bombing in Great Britain and a special unit from among their number was formed to accompany the troops to the continent of Europe, but the favourable progress of the war made this movement unnecessary.

The Auxiliary Services Supervisors are the representatives of the Canadian Legion Auxiliary Services, the Salvation Army, the Y.M.C.A. and the Knights of Columbus, who carried on educational, canteen and entertainment services for the members of the forces in the field.

From very early in the war, these were among the civilian groups made eligible for pension in the event of death or disability caused by service. Certain other benefits were conferred by order in council, and the special bill called the Fire Fighters and Supervisors (War Service) Act deals with these other benefits.

Both classes have been made eligible for a special gratuity at the rate of \$15 for every thirty days of overseas service. Both classes are brought under the Veterans' Insurance Act. Both classes when pensioned are given the rights of the Veterans' Land Act and to all vocational and technical training benefits to which former members of His Majesty's Canadian Forces are entitled.

The fire fighters who, by the regulations of their own service, are already entitled to clothing allowance and transportation home are by the proposed bill to be eligible for rehabilitation grant on the same terms as members of the forces.

Supervisors whose employment with the four auxiliary services organizations began on or after September 1, 1939, are to be brought under the re-instatement in Civil Employment Act. It is not necessary to mention fire fighters in this context because they were covered in this connection in the original Act of 1942. The benefits referred to by the proposed bill are those which were conferred by orders in council P.C. 3228 and P.C. 3229, of May 3, 1945.

THE VETERANS' LAND ACT

Although the Veterans' Land Act was drafted with great care, a number of experiences in administration suggested certain modifications and amendments of its original provisions.

Thus, the Act of 1942 fixed at \$4,800 the maximum sum which the Director might invest in land, buildings, stock, equipment and improvements for resale to a veteran. The maximum for land, improvement and building materials was originally fixed at \$3,600, the remaining \$1,200 being available for stock and farm equipment.

It was discovered at an early date that suitable properties could not be acquired for resale to veterans at this figure, and the formula has been varied twice. In the first instance, the ceiling was increased to \$6,000 with the proviso

that the maximum for land, improvements, and building materials should be \$4,800, leaving unchanged the figure of \$1,200 for stock and equipment. More recently, it was decided to permit as much as \$6,000 to be spent on land and buildings, without increasing the ceiling cost of the whole transaction.

In cases where a veteran and the director agree upon a price for land and buildings in excess of \$4,800, the amount remaining for stock and equipment is proportionately reduced. Thus, if the full \$6,000 were paid for the property, there would be no sum available in the transaction for stock and equipment.

In view of the fact that the advance for stock and equipment is not repayable, but may become a free grant at the end of ten years, there is an automatic inducement to the veteran to avoid availing himself of this discretionary power which has been vested in the director. That is to say, in a successful settlement, the veteran has to repay two-thirds of the cost of land and buildings in any event, but he does not have to repay the amount spent on stock and equipment.

The amendment now before this committee presents a consolidated section in conformity with the most advanced stage reached by a series of orders in council. This provision is made applicable to full-time farming, small holdings and commercial fishing establishments.

Another amendment based on the experience of higher values than was anticipated in 1942 has to do with the provision in the Act which enables the director to make loans to veterans who already own their own farms. The amount which may thus be loaned has been raised from \$3,200 to \$4,000, with all the original safeguards retained.

Another of the amendments now before us is for the purpose of clarifying certain powers which some of us at least considered to be inherent in the original Act, but which the government's legal advisers held were not expressly stated. The original Act authorized the director to buy building materials but, apparently, did not specifically provide that he could use them. Before it was possible to proceed with the construction of the 2,700 houses which are being built on small holdings this year, it was found necessary to adopt, under the War Measures Act, an order in council giving the director power to make use of the materials which he had purchased with the full sanction of the Act. In order that there may be no doubt of the director's authority in this connection, the amendment effected by order in council has been brought forward with great clarity in the revised draft.

A minor amendment adopts in the Veterans' Land Act a provision employed in the War Service Grants Act for the purpose of computing the length of a veteran's service. To be eligible under the Veterans' Land Act, former members of the forces must have served for at least twelve months if service was in Canada only. It is now proposed that this twelve months shall not be made up of time during which the member of the forces was absent without leave, or which he spent in detention or prison. The clause is similar to that which appears in the War Service Grants Act.

In order to decentralize administration and give the regional officers and their advisory committees power to deal finally with applications, another amendment proposes to give the director power, with the approval of the Governor in Council, to delegate his functions. It need hardly be said that veterans would be unduly hampered if every transaction had to be forwarded to Ottawa for approval.

I now come to two amendments which were adopted a year ago under the War Measures Act to meet the wishes of certain provincial governments and the Department of Mines and Resources. Several of the provinces in Canada have areas of unalienated crown lands upon which they would like to encourage settlement. Much of this type of land is uncleared and could be cleared economically only by very large scale operations. The director

was of the opinion that such a costly undertaking could not be justified unless there was assurance that there would be a real demand among veterans for the land when cleared.

With every respect for the views of those who wish to see our Canadian wild lands brought under cultivation, I am satisfied that it was never the intention of Parliament that the Veterans' Land Act was to be treated as a colonization measure. Its purpose is the successful re-establishment of veterans and not the use of veterans to open up new territory to cultivation.

On the other hand, we know that Canada's frontier lands, although thinly populated, were a fertile field for the recruiting officers and that there are in the forces numbers of men who grew up in the territories and in the northern parts of our provinces. They are men who know how to wrest a living from that type of country. Those that I have met love the hinterland and wish to return to it. There can be no doubt, therefore, that in providing settlement facilities on wild land, we shall be meeting the wishes of a probably small but important group of veterans.

Following representations from several of the provincial governments, the sub-committee on Land Settlement had a number of meetings and, ultimately, I invited representatives of the provinces, on January 29, 1945, to confer with the sub-committee. The purpose of the meeting was to evolve a formula by which the assistance of the Veterans' Land Act might be given to veterans wishing to undertake pioneer activities on wild land, or upon provincial crown land which the provinces might wish to develop and make ready for settlement.

As a result of this conference, a plan, which seemed to be reasonably acceptable to all concerned, was embodied in an order in council amending the Veterans' Land Act. This order in council is one of the new amendments in the bill under present consideration, and I shall endeavour to review its principal features.

Note was made of the fact that a veteran who takes up farming under the ordinary provisions of the Act may receive a free grant up to a maximum of \$2,320. Recognition was given to the fact that a veteran who undertakes an establishment on wild land is performing a useful service to the country at considerable risk. It was felt that undeveloped land offered little security for a loan and that veterans embarking on this type of enterprise should not be saddled with debt. Accordingly, it was recommended that any assistance given should be by way of a direct grant, and not by loan.

The proposal as adopted was that a veteran wishing to settle on provincial land should be eligible for a grant not exceeding \$2,320, which is the maximum grant under a normal Veterans' Land Act transaction. The proceeds of the grant may be used under supervision for one or more of the following purposes: (a) purchase of building materials and other costs of construction; (b) clearing and preparation of land; (c) purchase of livestock and machinery; (d) purchase of machinery and equipment essential to forestry; (e) purchase of commercial fishing equipment; (f) purchase of trapping or fur farming equipment; (g) purchase of essential household equipment.

The inclusion of forestry, fishing and trapping equipment was prompted by representations that some of those who may wish to settle on the frontier may be interested in other means of livelihood than agriculture. In such cases, a very modest cabin may suffice for living purposes and the balance of the grant could be used advantageously in the purchase of equipment to be used in one of these typical Canadian occupations.

In giving effect to this recommendation, the order in council authorized the Minister, with the approval of the Governor in Council, to enter into an agreement with the government of any province for the settlement of veterans

on provincial lands which the provincial government might recommend as being suitable for the purpose.

Such agreements are to provide for administration by advisory committees for each province consisting of three members appointed by the province and three by the Dominion. Joint responsibility for and interest in the veterans availing themselves of the plan is thus assured.

It was always intended that the Veterans' Land Act should be a flexible measure and, in this joint dominion-provincial scheme for settlement on provincial lands, the legislation is deliberately left in a very flexible form to meet the varying conditions in the different provinces.

This has been fully justified in the widely differing terms of the agreements that have already been entered into with Alberta, Saskatchewan and Manitoba, each of which province is making its contribution to the prospective settler's success in a different way. The contribution which the Dominion government is making is indicated in the provision which I have already described. Each province is making some other type of contribution over and above the mere allocation of crown land. The three prairie provinces have already entered into agreements, and direct interest in the proposal has been indicated by the governments of New Brunswick, Quebec and British Columbia.

We have every hope, therefore, that this amendment, to which parliament is now being asked to give its assent, will make a very valuable contribution to rehabilitation in that important part of Canada which lies outside the settled areas.

An exactly similar clause has been advanced for the purpose of assisting Indians to settle on Indian reserve lands, but in this case the grant will be paid to the Minister of Mines and Resources and payments out shall be by the Minister of Mines and Resources on behalf of the Indian, whereas, in the case of settlement on provincial lands, the payments out will be made by the director.

Indian veterans, of course, have the right to apply under the standard provisions of the Act if they wish to live off their reserves. As Indian reserve lands do not offer security for a loan, the new provision will, it is believed, enable numbers of Indian veterans to set up in farming on their own reserves.

THE POST DISCHARGE RE-ESTABLISHMENT ORDER

One of the most far-reaching measures in the whole rehabilitation program is the post discharge re-establishment order which was adopted by order in council and become operative on October 1, 1941. The parliamentary committee of that year reviewed the proposal while it was still in the incubation stage and assisted very materially in its development.

From the outset consideration was given to whether these far-reaching proposals should be presented to parliament in the form of a bill or should be enacted by order in council. I think all members will agree with me that the correct alternative was taken in promulgating the original measure by an order in council.

The post discharge re-establishment order established six specific rehabilitative measures for former members of the armed forces:

1. It authorizes the payment of what is known as an out-of-work benefit to veterans during the first eighteen months following discharge when difficulty is encountered in finding suitable employment.

2. It authorizes similar allowances to the veteran who is unable to work due to physical incapacity. (I may mention that this benefit is not often required because, as a rule, men who are physically incapacitated are entitled to hospitalization and medical care and may receive treatment allowance, either as an in-patient or on out-patient).

3. It authorizes the provision of vocational training courses, not merely as in the last war for those who are disabled, but for any or all who are likely to be assisted thereby in obtaining employment, or re-employment, or to obtain better or more suitable employment. While taking such authorized training, the veteran is entitled to receive allowances appropriate to his family status and the number of his dependents.

4. It authorizes assistance by the payment of fees and living allowances to discharged personnel who can qualify by educational standards for entry or re-entry into a university or professional school of university standing in undergraduate or post-graduate courses. This provision is broad enough to permit any good student to take a complete university and post-graduate course.

5. It authorizes the payment of living allowances to the veteran who takes up farming, or launches a business of his own, during the difficult early period before a crop has been harvested, or the enterprise begins to yield adequate returns.

6. It provides the means by which ex-service personnel may be brought within the terms of the Unemployment Insurance Act.

In connection with this last benefit, I mentioned earlier that the Unemployment Insurance Act, when originally introduced, made no provision for members of the forces, but that a plan was under consideration. The desired result was attained by providing in the post discharge re-establishment order that, when a former member of the forces enters insured employment and completes fifteen weeks in such employment within any period of twelve months, he shall be entitled, in the event of interrupted employment, to the amount of benefits that would have accrued if his period of military service subsequent to July 1, 1941, had been spent in that insurable employment.

In order that this may not impose an incalculable strain upon the insurance fund, the arrangement is that the premiums which would have been contributed by the veteran and by his employer are paid into the fund by the government out of consolidated revenue.

The principles, which I have just described, are so much broader than anything of the sort which had ever been adopted in the past that we frankly regarded the original measure as somewhat experimental.

The basic principles have stood the test of time, but our experience since 1941 has led to so many changes in the terms of the order that it became necessary in 1944 to enact and publish a completely consolidated redraft. As one easily understood illustration, I might mention that the schedule of allowances in P.C. 7633, of October 1, 1941, for all classes of benefits was—\$9. a week for single men, and \$13. a week for men with dependants.

By progressive changes, we have now reached the point where we have three separate classes of allowances, the lowest of which provides \$50 a month for single men, and \$70 a month for married men, augmented by additional allowances for children and other dependants.

These rates are indicated in Part I of the schedule which applies to out-of-work, awaiting returns and incapacity benefits. Part II of the schedule applies to non-pensioners in receipt of educational or training benefits. The rates are \$60 a month for a single man, \$80 for a married man, with graduated allowances for children and other dependants. Part III of the schedule applies to pensioners in receipt of training or educational benefits and, in recognition of the handicap of disability, provides for a combination of pension and training allowances on a graduated scale in proportion to the rate of pension.

This new schedule of rates is but one of many amendments to the original order.

Let me mention another. At first, applications for vocational training had to be made within twelve months of discharge. It was soon learned that this would not fulfil one of the high purposes of the policy, which was to encourage

ex-service men to increase and improve their employable skills so that they might aspire to advancement in their chosen callings.

Approximately 200,000 members of the forces had been discharged to civil life prior to the end of the war and, owing to the extraordinary demand for workers in war industries, two influences operated to deter many of those who could undeniably benefit by further training from taking advantage of this legislation. One was the impulse to continue in some form of war effort until final victory had been attained. The other was the attraction of immediately available high wages.

Rather than have these two factors deprive ex-service men and women of the training opportunity which the country had made available to them and which is so desirable from the standpoint of their own future careers, we felt that this twelve month limit should be modified.

The new provision which has been in effect for some time is that any veteran can apply within twelve months of his discharge, or within twelve months of the end of the war, whichever is the later.

I am satisfied that we were wise, in the first instance, in launching this program by order in council, because of the freedom it has given us to revise and amend speedily in the light of experience. I am also advised that the powers of regulation conferred by the Department of Veterans Affairs Act might have enabled us to continue most of this program by order in council. Nevertheless, it has always been my firm conviction that the members of our armed forces are entitled to have the rights and privileges of the post discharge re-establishment order confirmed and ratified by parliament and embodied in the statutes of Canada.

The point has been reached where that step can now be taken, and it is proposed that this shall be done in a bill to be called the Rehabilitation of Veterans Act. The proposed bill is not as detailed as the order in council. Room is left for flexibility by regulation. But it is only right and proper that parliament should place the stamp of its approval upon a measure of such vital importance, and should pass upon the merits of the various principles embodied in it.

LIST OF APPENDICES MENTIONED IN STATEMENT BY THE HONOURABLE
IAN MACKENZIE, MINISTER OF VETERANS AFFAIRS, TO THE HOUSE OF
COMMONS COMMITTEE ON VETERANS AFFAIRS

Appendix number	Subject	Available to	
		All members	Secretary only
1.	Reference Manual on Rehabilitation.....	X	..
2.	P.C. 2491, September 2, 1939, Pension Act applicable to current war.....	X	..
3.	P.C. 3004, October 5, 1939, Treatment of Members of the Forces by Dept. Pensions and National Health.	X	..
4.	Letter from Minister of P. & N.H. to Prime Minister, Oct. 30, 1939, recommending appointment of Cabinet Committee on Re-establishment.....	X	..
5.	Prime Minister's letter of November 1, 1939, in reply to above.....	X	..
6.	P.C. 40683, December 8, 1939, appointing Cabinet Committee on Demobilization and Re-establishment	X	..
7.	P.C. 5421, October 8, 1940, appointing General Advisory Committee on Demobilization and Re-establishment	X	..
8.	P.C. 7521, December 19, 1940, Rehabilitation Grant.....	X	..
9.	P.C. 6262, November 27, 1940, establishing Rehabilita- tion Branch, D.P. & N.H.....	X	..
10.	P.C. 7520, December 21, 1940, Committee on Canteen Funds.....	X	..
11.	Letter from Minister of P. & N.H. to Prime Minister, February 12, 1941, recommending Advisory Com- mittee on Reconstruction.....	X	..

Appendix number	Subject	Available to	
		All members	Secretary only
12.	Minutes of First Meeting Advisory Committee on Reconstruction, March 22, 1941.....	X	..
13.	Fourth Report, House of Commons Committee on Pension Act, June 12, 1941.....	X	..
14.	P.C. 74/9130, November 22, 1941, appointment of trustees for Canteen Funds.....	X	..
15.	Resolution by Minister of P. & N.H. for appointment by House of Commons of a Committee on Reconstruction and Re-establishment, March 24, 1942....	X	..
16.	Third Report, House of Commons Committee on Reconstruction, July 20, 1942.....	X	..
17.	Motion by Minister of P. & N.H., February 24, 1943, for appointment by the House of Commons of a Committee on Reconstruction and Re-establishment	X	..
18.	Second Report, June 23, 1943, of the House of Commons Committee on Reconstruction.....	X	..
19.	Fourth Report, January 26, 1944, of the House of Commons Committee on Reconstruction.....	X	..
20.	Report of the Advisory Committee on Reconstruction, Sept. 24, 1943.....	..	X
20-A.	Report of Sub-Committee on Agricultural Policy.....	..	X
20-B.	Report of Sub-Committee on Natural Resources.....	..	X
20-C.	Report of Sub-Committee on Publicly-Financed Construction Projects.....	..	X
20-D.	Report of Sub-Committee on Housing and Community Planning.....	..	X
20-E.	Report of Sub-Committee on Post-War Employment Opportunities.....	..	X
20-F.	Report of Sub-Committee on Post-War Problems of Women.....	..	X
21.	P.C. 608, January 23, 1943, reconstituting Advisory Committee on Economic Policy.....	X	..
22.	Report of General Advisory Committee on Demobilization and Rehabilitation, September 25, 1943.....	X	..
23.	Prime Minister Resolution, March 3, 1943, for appointment by House of Commons of Select Committee on Social Security.....	X	..
24.	Report of Advisory Committee on Health Insurance...	..	X
25.	Report on Social Security by Advisory Committee on Reconstruction.....	..	X
26.	National Physical Fitness Act.....	X	..
27.	Fourth Report, House of Commons Committee on Social Security, July 23, 1943.....	X	..
28.	P.C. 18/5610, July 15, 1943, Reinstatement of Civil Servants.....	X	..
29.	Joint Report on Demobilization, December 3, 1943.....	X	..
30.	P.C. 1218, February 7, 1941, broadening powers of Cabinet Committee on Demobilization.....	X	..
31.	P.C. 6874, September 2, 1941, constituting Advisory Committee on Reconstruction.....	X	..
32.	U.N.R.R.A. Act.....	X	..
33.	United Nations Mutual Aid Act.....	X	..
34.	National Health and Welfare Act.....	X	..
35.	P.C. 7993, October 14, 1944, Cabinet Committee on Reconstruction.....	X	..
36.	Handbook on Rehabilitation.....	X	..
37.	White Paper on "Employment & Income".....	X	..
38.	Report of Sub-Committee on Land Settlement.....	X	..
39.	Orders in Council <i>re</i> Veterans' Insurance: P.C. 8051, October 17, 1944; P.C. 3856, May 29, 1945; P.C. 5604, August 16, 1945.....	X	..
40.	Recommendation <i>re</i> Veterans' Insurance by General Advisory Committee, together with minutes of Sub-Committee.....	X	..
41.	Back to Civil Life.....	X	..
42.	What's Ahead.....	X	..
43.	The Veterans' Land Act, 1942 Handbook.....	X	..
44.	The Community and Re-establishment.....	X	..

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

Tuesday, October 16, 1945

WITNESSES:

Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review,
War Service Grants Act, 1944.

Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

Mr. J. C. G. Herwig, General Secretary, the Canadian Legion of the British
Empire Service League.

OTTAWA
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1945



MINUTES OF PROCEEDINGS

TUESDAY, OCTOBER 16, 1945

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Belzile, Bruce, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Emmerson, Fulton, Gauthier (*Portneuf*), Green, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Kidd, Lennard, Marshall, Mackenzie, MacNaught, McKay, Merritt, Mutch, Pearkes, Quelch, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Winters, Wright.

In attendance: Mr. J. C. G. Herwig, General Secretary, The Canadian Legion of the British Empire Service League; Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review, War Service Grants Act, 1944.

The Chairman reported that he had received a letter from the Canadian Legion enclosing a submission regarding the War Service Grants Act, together with a brief from Mr. D. K. Yorath, Managing Director, High River Flying Training School Limited, entitled "Memorandum outlining reasons for the granting of full gratuities and re-establishment credit and all the benefits of the post-discharge re-establishment order PC 5210 to elementary instructors whilst serving at civilian operated schools without pay".

Mr. Herwig was called, presented the Canadian Legion's submission, and was questioned thereon.

It was ordered that Mr. Yorath's brief be printed as Exhibit "A" to this day's minutes of evidence.

Mr. Woods was called, heard and questioned.

It was ordered that Mr. Woods furnish the Committee with a statement showing the benefits paid on discharge to Canadians resident in Canada who have served in the United States Army during the present war.

Brigadier Topp was called, heard and questioned.

Mr. Woods filed a draft recommendation to the Governor General-in-Council from the Honourable the Minister of Veterans Affairs regarding the payment of war service grants to ex-members of the services who have been discharged for misconduct.

It was ordered that this recommendation be printed as Appendix "B" to this day's minutes of evidence.

On motion of Mr. Jutras, it was resolved that discussion of the proposals before the Committee be deferred until the witnesses had been questioned and retired.

It was ordered that a statement be obtained from the officers of the Department of National Defence, as to the conditions under which war service personnel are dismissed (a) as a result of convictions in civil courts; and (b) as a result of findings of courts martial for offences which are of a criminal nature, as opposed to purely military offences, such as desertion, etc.

At 1 o'clock p.m. the Committee adjourned until Thursday, October 18, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
October 16, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The honourable minister will say a few words.

Hon. Mr. MACKENZIE: Mr. Chairman and gentlemen, there is just one point. I see that certain printed documents have been circulated, and they are called "Bills". Of course, you all know the House of Commons as well as I do, and there cannot be any bills until they are properly introduced in the House. They should all be called draft bills or departmental proposals. When this committee reports they can report a suggested bill to the House of Commons, but inadvertently they were circulated to all of us and called bills before they reached the House of Commons. I hope you will overlook that irregularity in our discussions.

The CHAIRMAN: Gentlemen, we decided at the last meeting to take up immediately the proposed draft bill to amend the War Service Grants Act. Pursuant to instructions the clerk addressed a letter to the various service organizations inviting representations on the matters within the terms of the reference to us from parliament. I have a letter addressed to the committee from the Canadian Legion enclosing a submission on the War Service Grants Act. I suggest that we might hear from the Canadian Legion now in the matter. Is it the pleasure of the committee that we shall hear from the Canadian Legion immediately?

Mr. WRIGHT: I so move.

The CHAIRMAN: Carried. This, gentlemen, is Mr. Herwig, the general secretary of the Canadian Legion, who is well known to most returned soldiers in Canada. Are you going to make the submission?

Mr. HERWIG: I will read the submission and Mr. Anderson may have some evidence to present.

The CHAIRMAN: Who is Mr. Anderson?

Mr. HERWIG: Executive assistant.

The CHAIRMAN: What is his position?

Mr. HERWIG: Executive assistant.

The CHAIRMAN: Mr. Herwig will make his submission.

J. C. G. HERWIG, General Secretary, Canadian Legion, *called*.

The WITNESS: Mr. Chairman, if you will permit me I shall read this submission.

Canadian Veterans in the United States

Citizens of the United States who served in the Canadian Forces and returned to their own country do not receive the re-establishment credit and several other benefits under the rehabilitation program. The reason advanced is that administrative facilities have not yet been made available by the United

States government. No provision is made for the rehabilitation of veterans of the Canadian forces by the United States government and therefore it is an obligation of Canada which should be generously met.

The Legion requests that the bill be amended to make the necessary provision so that Canadian veterans in the United States may receive the re-establishment credit, the amendment to be proclaimed as soon as the necessary administrative arrangements with the United States government can be completed.

The reason for this recommendation, Mr. Chairman, is that veterans in the United States are becoming very upset about their future. They find when they get there they have no facilities at all. Apparently the United States government has no provision to assist them and they are left without any monetary assistance.

The CHAIRMAN: Mr. Woods, the deputy minister, says that they get the gratuity.

The WITNESS: They get the gratuity but I am speaking now of the re-establishment credit. I do not think I need to say much more about that. Later on we hope to have someone from the United States to say more on the subject covering other benefits besides credit.

By Mr. Cockeram:

Q. This refers to Americans who have served for the whole war in the Canadian forces, not those who transferred back after the entry of America into the war? How does that affect them?—A. I don't know precisely what the American government does for the fellow who transferred later. I do not know whether he gets any credit for the period he served in the Canadian forces. The point I want to make is it would be a very good thing if the Canadian government could make a declaration of policy indicating that the Americans who did serve would receive all the benefits that other veterans receive in Canada.

Hon. Mr. MACKENZIE: I do not know whether you want to discuss this now or later but I should like to say a word on this question. We discussed this very carefully last year when we were putting the War Service Grants Act through the House of Commons. There is a very great distinction between war service gratuities as such and the rehabilitation credit as such. The idea of the credit is two-fold. In the first place it is to help the man, who is residing in Canada, over a period of ten years; secondly it is to help in the improvement of the national economy of Canada. It was our decision at that time that the credit as such could not be extended beyond Canada. The argument may not apply to other benefits, but you realize the purposes for which the credit is authorized within this statute. You will find it is for furniture and homes within the Dominion of Canada. It is a matter for you to discuss and decide as to whether it is advisable to extend the re-establishment credit beyond Canada. I am not speaking about other benefits at all, but I think there is a great difference there.

Mr. GREEN: Of course, there was nothing in the Act to make that limitation at all.

Hon. Mr. MACKENZIE: I agree with you.

Mr. GREEN: The restriction on furnishing rehabilitation credit to Americans from the Canadian forces was contained in the regulations, and I think they did not have any authority whatsoever to put it in the regulations when it was not in the Act.

Hon. Mr. MACKENZIE: I am only trying to explain to you and the committee the principles which guided us when we were drawing up the statute of last year. We did think there was a fundamental difference between the credit and the cash gratuity.

Mr. GREEN: Your argument would not apply to returned soldiers' insurance.

Hon. Mr. MACKENZIE: No.

Mr. GREEN: That is one of the purposes for which this credit can be used.

Hon. Mr. MACKENZIE: Yes, but that is a different thing entirely. I think you have got to look at it from a national point of view.

The CHAIRMAN: I suggest, gentlemen, that we permit Mr. Herwig to make his submission and then we can discuss it and question him on it afterwards.

Mr. KIDD: Has he any idea as to how many citizens of the United States were in the Canadian forces and the reverse, how many Canadians were in the United States forces?

The CHAIRMAN: That is what I had in mind, that we permit him to make his statement and then question him on it afterwards. I think that is the most orderly way of getting the matter on the record.

The WITNESS:

Canadian Veterans in the United Kingdom

The Legion urges that a similar action be taken respecting Canadians taking their discharges in the United Kingdom. Admitted that administration difficulties exist, nevertheless they are not insuperable and no veteran of the Canadian forces should be denied such rehabilitation benefits as can be extended to him because of his domicile outside of Canada.

Discharges for Misconduct

(Sections 11, 12, 12(a), 12(b))

There is provision in Section 12(b) for a review of misconduct cases. However, there does not appear to be any discretion of power for the board of review to deal with military misdemeanours which have little or no significance in civil life. There are many crimes of this nature the punishment for which ought not to be carried into civil life and seriously affect rehabilitation.

The wording of these sections would seem to deny the board the power to function in a manner evidently intended.

The kinds of cases we have in mind are men whose otherwise good service is marred by breaches of military discipline, such as going A.W.O.L., low flying in the air force, and certain types of disobedience and insubordination.

The Legion submits that the board of review, being comprised of members of the armed services appointed by the Department of National Defence, should have the power to direct the issue of suitably worded discharge certificates in appropriate cases, so that rehabilitation benefits can be granted.

Flying Instructors

Flying schools fell into two categories. Elementary flying training schools and air observer schools were under the control of civilian flying organizations across Canada exclusively employing civilian personnel while service flying training schools were under the control of the Department of National Defence in which all instructors were enlisted personnel and were paid service rates by the Department of National Defence.

Some enlisted men were drafted to the civilian flying schools and were subsequently treated as civilians; later they were reclaimed by the R.C.A.F., but only their service while in uniform counts for the purpose of this Act. Therefore, it is possible to have a man who has performed instructional duties during the whole period of the war receive gratuities for perhaps six months or a year's service.

The flying instructors at the civilian flying schools performed the same duties as the man in uniform. Admittedly they received a higher remuneration to compensate for their civilian status but they have received no rehabilitation benefits of any kind.

A comprehensive brief prepared by the manager of the High River Flying School, Alberta, D. K. Yorath, dealing with these cases is submitted for the consideration of the committee.

The Legion believes that these men are entitled to the consideration they seek and that provision should be made in the Act.

Overseas Personnel of Auxiliary Service Organizations

Strong representations have been made during almost the entire period of the war in behalf of the overseas personnel of the auxiliary service organizations, such as the Y.M.C.A., The Canadian Legion, The Salvation Army and Knights of Columbus. It is our contention that the nature of the service rendered by these men entitles them to the same consideration respecting rehabilitation as enlisted personnel. Provision has been made for partial benefits for some, while others receive none.

A separate brief will be presented to the committee by Brigadier-General Alex Ross, president of Canadian Legion war services, on behalf of this group, when consideration is given to the bill dealing with firefighters and supervisors.

Re-establishment Credits and Government Annuities

Complaints have been received by the Legion from men who have been denied the use of their re-establishment credit for the purpose of purchasing a government annuity. The complaints come largely from veterans of both wars, although veterans of the 2nd Great War also feel that their re-establishment credit would be well placed in the purchase of a government annuity.

The fact that government annuities are not mentioned in the Act, together with government insurance and superannuation, appears to be the only reason why these applications for such use of the credit are being turned down.

The Legion recommends that government annuities be included in Section 9 of the War Service Grants Act.

The CHAIRMAN: In regard to this submission by Mr. Yorath, I understand you would like to have that placed in the record?

The WITNESS: Yes.

The CHAIRMAN: The Canadian Legion have submitted a brief by Mr. D. K. Yorath, Managing Director of the High River Flying Training School Limited, at Calgary, entitled, "Memorandum Outlining Reasons For The Granting Of Full Gratuities And Re-Establishment Credit And All The Benefits Of The Post Discharge Re-establishment Order PC 5210 To Elementary Instructors Whilst Serving At Civilian Operated Schools Without Pay". The memorandum consists of sixteen pages. What is the wish of the committee? Shall we place it on the record for perusal by the committee when it comes out in the record; or, is it your wish to take the time of the committee to have it read this morning?

Mr. CRUICKSHANK: What do you mean by, "without pay"?

Hon. Mr. MACKENZIE: That was service paid for at civilian rates.

The CHAIRMAN: I may say that I just received this letter on my arrival in the committee room this morning. I have not had a chance to peruse it myself. Perhaps I should have laid it before the steering committee and obtained their views on it first.

Mr. GREEN: Does Mr. Herwig want it read?

The WITNESS: I do not want to delay the committee by reading a sixteen page brief.

Hon. Mr. MACKENZIE: I think it is very valuable.

Mr. CROLL: Put it on the record.

The CHAIRMAN: Then, with the approval of the committee, we will have it placed on the record.

Memorandum appears as Appendix "A".

Mr. LENNARD: I think it should receive very serious consideration, because these men were flying the worst old crates there were during the first six months of the war. They were risking their lives every time they took one of those old crates up into the air.

The CHAIRMAN: It will appear in the record and we can discuss it when we come to make recommendations.

In regard to submission of the Legion, does your assistant (Mr. Anderson) desire to add to that?

Mr. HERWIG: He is prepared to answer any questions which may arise.

Mr. CRUICKSHANK: Is that the only submission there is from the Legion?

The CHAIRMAN: This is just on this bill. It is a matter of procedure in the committee; one which we may as well settle at the outset. It seems to me for orderly procedure, and I think this was suggested by the steering committee, that anybody wishing to speak or address a question to the witness should rise in his place so that we won't have any confusion, and so that it will be easier to get material into the record.

Mr. Herwig is ready to answer any questions the committee may wish to ask.

Mr. KIDD: The first paragraph states, "Citizens of the United States who served in the Canadian forces", and then in the next paragraph, "The Legion requests that the bill be amended to make the necessary provisions so that Canadian veterans in the United States may receive the re-establishment credit"; have you any idea of the number?

The WITNESS: I understand some 30,000 enlisted in the forces, but as to how many transferred back to the United States forces, I do not know that. I have no doubt there were quite a number.

Mr. KIDD: Do you know how many Canadians there were serving in the American army?

Mr. MUTCH: I imagine there are about the same.

The WITNESS: I understand there were about 15,000 Canadians in the American army.

Mr. MUTCH: About 13,000, roughly speaking.

Mr. GREEN: That is Americans in the Canadian army, or Canadians in the American army?

Mr. MUTCH: Americans in the Canadian army.

Mr. HARRIS: What is the difference between the gratuity and the re-establishment credit?

All the MEMBERS: Louder, please.

The CHAIRMAN: Do you mind speaking a little louder? The question was, could the witness tell us what the difference is between the gratuity and the credit.

Mr. CROLL: Is that not a matter for us to say? I have one question that I would like to ask, if I may: Would you know whether the Americans who

transferred back to the American army are getting the credit for service they had while in the Canadian army?

The WITNESS: I do not know that.

Mr. CROLL: I would like to know whether those who were serving with the American army are receiving that credit?

Mr. HERVIG: There would appear to be no reason why they should receive a double credit, and we want to know about that. Don't you think we had better leave it over until we can get some more information on that part of it, so we can deal with it when we are in touch with it?

The WITNESS: I think a lot of that information would be available to the Department.

Mr. CROLL: Would Mr. Woods have that information?

Mr. WOODS: I did not get the question.

The CHAIRMAN: What provision does the American army make for people who served for a time in the Canadian army and then transferred to the American army?

Mr. WOODS: I have never received information to the effect that the United States authorities recognized Canadian service in their benefits. I should like to say, Mr. Chairman, if I may, while I am on my feet, that I visited Washington with the Minister some months ago and discussed with General Hines, of the Veterans' Administration in Washington before he was retired, the possibility of entering into a reciprocal arrangement with the Veterans' Administration in the United States, between that administration and our administration. General Hines pointed out that the difficulty was that his veterans' administration didn't possess statutory authority for entering into reciprocal arrangements, that it would require acts of Congress, and that such action could be expected soon. Just a few weeks ago one of our senior men went down to Washington and I asked him to follow up with the discussion and see if anything had transpired. When he visited there General Omar Bradley had succeeded General Hines, and General Bradley informed our representative, Mr. Chant, that it was expected very shortly that enabling legislation would be passed; that is so far as reciprocal arrangements are concerned. It must be obvious that whilst it is practical to make some Canadian rehabilitation benefits available in other countries it is not practical to make them all available in other countries, and I cited one instance: for example, The Veterans' Land Act. However, Mr. Chairman, the Minister has been negotiating with them and these negotiations are still going on as to the possibility of our making reciprocal arrangements.

The CHAIRMAN: Thank you, Mr. Woods.

On the question raised by Mr. Harris, as to whether the Legion has any comments to make on these suggestions that there should be a distinction between the paying of the re-establishment credit of part of Canada and in Canada. I do not think it would be out of place for the Legion to comment on that if they wish to do so. What do they think of that suggestion?

Mr. HARRIS: It is their suggestion, and I am sure there must be some reason for their having suggested it.

The CHAIRMAN: Would you mind just explaining this?

The WITNESS: If you want me to elaborate on that, Mr. Chairman, I think we could say very definitely that we think the Canadian boys in the United States should receive no other benefit from any other source, but most certainly they should receive this credit to aid them in their re-establishment. I cannot see any reason why it should not be possible to work out a satisfactory

arrangement on that, particularly if you could get the co-operation of the veterans' administration over there. The Legion realizes that there must be some machinery set up in the United States to deal with it, and at the present time efforts are being made to establish that through the American Veterans' Administration. However, if they do not succeed in that, I do not think the matter should be left there; I think it should be pursued further. It seems self-evident that a man who served in the Canadian forces should not be left without rehabilitation benefits of that kind just because he resides outside of the country.

The CHAIRMAN: The thought occurs to me, Mr. Herwig, that you might have liaison with the Legion or some similar organization in the United States and get them working on their government in conjunction with what you may be trying to do here.

The WITNESS: Yes, they have a number of branches in the United States which are called commands. They are very similar to our own provincial commands; and they have been operating with the American Legion trying to get that legislation through. I do not know how far they have gone. I do not think they have succeeded in securing what they wanted, the United States basis; but they should take their nationals who are on the Canadian benefits and give them their own benefits.

Mr. HARRIS: I did not hear what the witness said. Would the witness mind speaking up so that we can all hear?

The WITNESS: Sorry. I said, we had hoped that some reciprocal arrangements could be made with the United States to deal with this question so that United States nationals who served in the Canadian forces would receive some benefits from their government. Apparently that has not succeeded, so we must ask the Canadian government to do it.

The CHAIRMAN: If we could persuade the veterans of foreign wars of the United States to get their government to look after Canadian veterans down there and then we look after American veterans up here, it would be a very happy solution, wouldn't it?

Hon. Mr. MACKENZIE: That is the only way out.

Mr. McKAY: Might I ask the representative of the Legion if he can tell us specifically whether the American authorities are giving any benefits to Canadians who served in the American forces?

Mr. HERWIG: I do not think they are.

Mr. McKAY: None whatever?

The WITNESS: No, not so far as I know.

Mr. LENNARD: No, that is not right.

The WITNESS: Maybe I did not get your question right.

Mr. McKAY: I asked if you knew of any specific cases of benefits in the way of service benefits the American authorities are giving to Canadians who served in the American army?

Mr. HERWIG: No, I do not know what they are doing.

Hon. Mr. MACKENZIE: Do you mean here, or in the United States?

Mr. McKAY: In the States, of course.

Hon. Mr. MACKENZIE: Oh yes, they are getting it in the United States.

The CHAIRMAN: I do not think it matters if a man served in the American forces. From what I heard after the last war they considered them the same,

as long as they served in the forces. There were very definitely quite a number of Americans who served in the Canadian forces; some of them long before their own country entered the war served very acceptably in our forces, coming back here, never having served in the American forces, or having served with them for just a short time; and getting no credit at all for the length of service while they were in the Canadian forces. That is the big problem.

Mr. HARRIS: My question is not answered, because they did receive some benefits, and that must include Canadian service. They may not receive the gratuity on the basis of length of service, but they do receive some benefits and that is what I want to get at. What benefits they do get?

The WITNESS: If they reside in the United States they get their benefits there, and we feel that they should not get both.

Mr. HARRIS: And, what if they reside in Canada?

The WITNESS: I do not know.

The CHAIRMAN: I think you will find, Mr. Herwig, that the American soldier was fairly well looked after—I know some of them—even if they came to Canada after the last war. I fancy as long as they are American soldiers they get a lot of benefits under their Act wherever they live. I would not say they got them all, but they got a lot.

The WITNESS: No American veteran suffered.

The CHAIRMAN: I know one who cashed in on that grant they made. He lived in Canada, in my own constituency as a matter of fact; and he cashed in on that grant which they gave to the American soldiers, and he lived in Canada all the time after the last war.

Mr. GREEN: Is not the point you raised related entirely to the American who came up to Canada and joined the forces here and served with the Canadian forces throughout the war and then was demobilized and went back to his peacetime occupation in the United States? That is the group for whom you are pleading?

The WITNESS: That is right.

Mr. GREEN: Your contention is that these men are entitled to the same treatment as the men who served beside them in the fighting but who happened to live in Canada; that is your contention?

The WITNESS: Yes.

Mr. GREEN: I have here a press clipping dated September 19th, from one of the Ottawa papers—*The Journal*—which says, "A total of 13,611 men and women came up from the United States to enlist in the Canadian forces. More than 60 per cent would be with the R.C.A.F."—now, is that in accord with your compilation; that out of the three services the larger part served in the R.C.A.F.—well, these are largely fighting men, are they not? Some of them are not Air Force?

The WITNESS: Some are not.

Mr. GREEN: Most of them served in the Royal Canadian Air Force, and they are entitled to the gratuity just the same—

The WITNESS: They are entitled to the gratuity.

Mr. GREEN: —as their fellow officers who were Canadians; but they could get no re-establishment credit. Is that your point?

The WITNESS: Right.

By Mr. Green:

Q. You base that I suppose on Section 8, of the present Act which says: "as hereafter provided every member of the forces"—it does not say only those who happened to live in Canada—"who does not elect to take benefits under The Veterans' Land Act, 1942, or any educational, vocational or technical training benefits which are provided out of monies appropriated by parliament, shall",—and then here is the reason given for this credit—"in order to assist in his re-establishment;" it is not in order to help the individual to reconvert, it is to assist the individual veteran's re-establishment; "be eligible, in addition to the war service gratuity, for a re-establishment credit in an amount equal to the total amount payable to him under section 3 of this Act." That is the basis of your contention?—A. That is really the basis of it.

Q. And the only way that an American who served in the Canadian forces is deprived of that right, is not under this Act at all but under a regulation which is supplementary. Is that not right?—A. It is contained in the Act, I think. The man must be resident in Canada.

Q. Can you tell me where it is in here?

The CHAIRMAN: You are thinking of the proposed amendment, Mr. Herwig. Mr. Green is speaking of the original Act.

The WITNESS: Oh, yes, I see. It is not in the original Act. It is in the proposed amendment.

By Mr. Green:

Q. These men are not getting that credit right now?—A. They have never got it.

Q. They have never been able to get it?—A. That is right.

Q. Is not the reason for that to be found in the fact that under regulation 23 there is this provision: "No credit shall be made available to a member unless the member is resident in Canada and the Minister is satisfied that the credit will be used for one or more of the purposes specified in section 9 of the Act or in these regulations and for the re-establishment of the member in Canada?" Is that not the regulation?

Hon. Mr. MACKENZIE: That is right. This is the policy of the government.

By Mr. Green:

Q. They are prevented from getting the re-establishment credit. You are asking in your brief, that these lads get the same treatment as the Canadians who served beside them are getting?—A. I think we recognize that there are administrative difficulties, but we should like a declaration of some sort of policy from the government of Canada as to what they are going to do for these lads in toto when these administrative difficulties are cleared up.

By Mr. Adamson:

Q. In other words, you are asking that these men be re-established if they happen to be nationals of another country who served in the Canadian forces; you are asking that they be re-established in other countries outside of Canada?—A. Right.

Q. In their own country?—A. Yes.

The CHAIRMAN: Of course, that would naturally include a Canadian who wished to leave Canada and take up re-establishment in another country.

Some Hon. MEMBERS: No, no.

The CHAIRMAN: You could not discriminate against Canadians.

Mr. PEARKES: Does that not also apply to any Canadians who were living in the United States at the beginning of the war, came to Canada, joined the Canadian forces and have returned to the United States—Canadians as well as citizens of the United States? They do not get any benefit.

Mr. WOODS: I should like to mention one thing here. The statement has been made that there is nothing in the Act to prevent our paying re-establishment credit to an American or a Canadian who was domiciled in the United States, came here and served in Canada's forces and then went back down to the United States. It is very true that there is nothing in the Act specifically preventing our paying that re-establishment credit to him down in the States. I should like to refer you to section 17 of the Act—that is of the old Act—that deals with the man who left Canada and joined the Imperials. That section requires him to return and be domiciled in Canada before he can draw the re-establishment credit.

Hon. Mr. MACKENZIE: That was the intention of the Act all the way through.

Mr. BELZILE: I am getting a little mixed up, Mr. Chairman. In the second line of Mr. Herwig's statement he mentions "returned to their own country do not receive the rehabilitation grant". Further on he says, in the second paragraph, the third line, "may receive the rehabilitation credit." I guess there must be a mistake somewhere.

The WITNESS: That is an error. It should read "re-establishment credit" in both instances.

Mr. McKAY: Mr. Chairman, can you tell us whether or not educational benefits are being extended to Americans who served in the Canadian forces, after they return to the United States? That does not come, I do not believe, under the re-establishment credit act. Suppose a chap wants to go to the University of California. He comes from California and joins the R.C.A.F. Does he get the benefits that would normally go to Canadians serving here in Canada?

Mr. WOODS: Yes, sir.

Mr. McKAY: If that is the case, why not extend the re-establishment credit because in lieu of re-establishment in Canada they receive the educational benefit?

Mr. WOODS: It is also in lieu of land settlement.

Mr. McKAY: Yes, it is also in lieu of the Veterans' Land Act. Then, if that is the case, if a man does not receive benefits under the educational grant in the United States, I cannot see any reason why he should not receive the re-establishment credit and set up in a small business somewhere. It amounts to exactly the same thing.

The CHAIRMAN: Does any one else wish to ask the witness any question?

The WITNESS: There is one point that I think ought to be mentioned. You stated that this would apply to veterans who went to the United States from Canada. I think we have to recognize that we have to export a lot of our young men. The maritimes, for instance, export their young men to the west; sometimes some of them go down south. They are not able to supply them with all they need in Canada in the way of employment sometimes. That occurred after the last war to a very large extent. Thousands of Canadians went to the United States. They had to go there because they could not get employment in Canada. I do not believe that a man who had to do that, should be debarred or be denied the benefits of this rehabilitation program.

Hon. Mr. MACKENZIE: That is why they should keep the money here and find them work in Canada.

Mr. McKAY: If we are going to keep the money in Canada for one thing, why not keep it here all the way along the line?

Hon. Mr. MACKENZIE: That is another argument.

Mr. McKAY: It is just as convincing.

The CHAIRMAN: There is another question I had in mind. We might try to have our department make a submission as to just what is being done in the United States, if anything, for the Canadians down there in the American army, and whether they do anything for Americans who go abroad—and if so, what—so we could know what they are doing and have some definite information. I am sure we are doing as much as they are.

Hon. Mr. MACKENZIE: We are doing far more than they are. We shall be glad to get that information for the next sitting of the committee.

The CHAIRMAN: I think it would be of benefit to the committee to have that information. I also believe that, before we necessarily commit ourselves to doing too much for any country, we should always bear in mind the alternative of trying to come to some arrangement with that country on some reciprocal basis.

Mr. TREMBLAY: Hear, hear.

The CHAIRMAN: That is all you wish to submit, Mr. Herwig?

The WITNESS: Yes.

The CHAIRMAN: We have here Brigadier Topp.

Mr. CRUICKSHANK: What about other sections? There are other sections.

The CHAIRMAN: Well, the Legion is through with their submission.

Mr. CRUICKSHANK: No, there are other sections. Misconduct is far more important as far as the effect is concerned, in my opinion.

The CHAIRMAN: I asked if there were any more questions to be asked of the witness.

Mr. COCKERAM: There is the fire fighting business.

Hon. Mr. MACKENZIE: There is a special bill on that.

Mr. MUTCH: With respect to the recommended change in sections 12, 12(a) and 12(b) on misconduct, I should like to say this. I had the opportunity of spending a month or a little more in the Canadian detention barracks in England.

Mr. CRUICKSHANK: They should have kept you longer.

Mr. MUTCH: There is quite a bit of levity in that remark. In spite of the levity, as I say, of my friend the colonel who, among other officials, happened to contribute to army delinquency, I found myself in the position of having the opportunity to personally interview some 150 of the so-called incorrigible soldiers in the Canadian army; and for a minute or two in supporting the suggestion of the Legion in this brief, I should like to deal not with specific cases but to be as general as I can in supporting the argument.

For instance, it early became apparent that there were a considerable number—by no means the largest group, but a considerable number—of so-called chronic offenders and so-called incorrigibles who were guilty of offences which, in civil life, were not offences at all. I am reminded of a chap with a taste for liquor and a capacity to get it. He was repeatedly absent following every leave, always for the same reason, and he was doing eighteen months when I saw him for a long continuation of this type of offence. When I spoke to him he said, "I am one of two brothers. The other one had mechanical experience and I had not any. He was employed in a factory in Ontario and I elected to go into the service. The difference between us is this. He has been three and a half years in a factory, employed at high wages, sleeping at home every night if he wants to; and I have been three and a half years in England, doing the same things ad nauseam. If he does not feel like working, and if he gets

drunk on Saturday night, and lays off Monday and Tuesday, he saves that much on his income tax and nobody thinks anything about it. But every time I do it, I land back here." That is an exaggerated case, but serious consideration will have to be given by this committee and by the government to a situation which makes a man ineligible for benefits because of the fact that he has repeatedly perhaps committed offences which, in civil life, were not offences at all.

I am thinking of another chap, formerly a member of a school board or city council of a fair sized city in Ontario, a man of excellent character who did not himself use cigarettes but who was one of the unlucky chaps who got caught at the time of the periodic crack-down on the selling or giving away of cigarettes to civilians. He drew a sentence of one year for that offence. I have the particulars of the case. I do not know how much of his time he has served, because I came back here. But no one can see these chaps and be associated with them, and no one could talk to their families at home here, and not realize that a very great injustice can be done to any number of these people—chronic offenders if you like—by virtue of extraordinary situations in some instances, or in others by virtue of weaknesses in their own characters and their inability to take army discipline and army training. Great care was taken in the induction of these men, but mistakes were made; and to condemn men, as some of these men under the present regulations will be condemned, to start off not even with their fellow soldiers but under a considerable handicap, seems to me to be manifestly unfair. At another time I shall probably want to deal with it in a little more detail, but I do want to say at this time that I think the committee will have to take into consideration some form of alternative discharge. In every branch of the civil service, in the dominion and in the provinces, and in every contract let under government auspices, either federal or provincial, a man's service and the terms of his discharge are most important. My contention is that many of these men have already been punished more severely than the circumstances warranted. In the early days the courts-martial, I am sorry to say, were very often conducted by whatever senior officer happened to be unemployed—sometimes unemployed because he was not the best major of his unit. I have had the experience of seeing three men, charged with the same offence at the same time tried by three different courts-martial. One who was a third offender got nine months; one who was a corporal was stripped and given fourteen months; and the other one who was in on the same thing got twelve months for the same offence, committed in the same camp at the same time. While these conditions did exist, they were substantially rectified in the last two years, I am glad to say, both in Canada and overseas. We should keep these things in mind in dealing with these questions.

MR. WRIGHT: Mr. Chairman, have you any figures that will give us an idea as to the number of men who were disqualified because of offences in the army?

THE CHAIRMAN: Well, gentlemen, I ask that Brigadier Topp be heard. He is chairman of the appeal board, and he may be able to give the committee some idea of the way this whole affair is functioning. Perhaps the committee might like to hear just what he has to say in a general sort of way, without going into details at this time.

Before I call on Brigadier Topp, I see that the minister has to leave to attend a cabinet meeting. Did you wish to say anything, Mr. Mackenzie?

HON. MR. MACKENZIE: No. I am sorry that I will have to be away a lot from the deliberations of this committee; but any time I am required, I shall be very glad to come up at once.

The CHAIRMAN: Is it the wish of the committee to hear Brigadier Topp who is chairman of this appeal board to see how this actually works in reference to what Mr. Mutch has said?

Mr. CROLL: I move that he be heard.

Brigadier C. B. TOPP, Chairman, Board of Review, War Service Grants Act, *called*:

The CHAIRMAN: Brigadier Topp, you have heard what Mr. Mutch has said, and perhaps you may be able to give the committee some idea of the way this works out?

The WITNESS: I think that I should, perhaps, make a somewhat general statement in order to give you the background with respect to this misconduct issue. The practice, in its present form, is very general, and when setting up the machinery for its administration provision was made in regulation 15, passed by the Governor in Council, for a board of review which would be appointed by the Minister of National Defence. The purpose of that board, I believe, was to ensure primarily that uniformity in the application of the Act would be achieved in the three services. Each of the services is governed by a different set of King's regulations, different customs, different conditions of service, and quite frequently there is a wide diversion in the application of disciplinary measures. In the navy, for example, a rating is in a state of desertion if he is absent for seven days, I believe; in the army and air force he must be absent for twenty-one days. An absence without leave in the navy, even for a few hours, if it involves missing a ship which is under sailing orders, becomes an infinitely more serious offence than a short absence without leave in the army or in the air force.

Now, then, with these considerations in mind, this board of review was set up. It consisted of senior officers from each of the three services. We were brought in here from the stations on which we were serving about February last and were told to undertake certain work. The regulations provide that no war service gratuity may be denied to a member of the forces until that decision has been confirmed by a decision of the board of review. The regulations also provide that the services, in addition to cases in which refusal is similarly made mandatory, may refer to the board any case in which they doubt the question of entitlement. Now, then, sections 11 and 12 of the War Service Grants Act contain these limiting provisions of the Act. They provide, with respect to officers, that benefits shall be forfeited if the officer is cashiered, is dismissed by a court-martial, convicted by the civil power, if his resignation is accepted by reason of misconduct. In cases of other ranks there are similar provisions: that is, if he is sentenced to be discharged with ignominy, if he is discharged by reason of conviction by the civil power, or if he is discharged for the stated reason "misconduct", he forfeits benefits.

As I said, the terms of the Act are very general; and so it became necessary in drafting regulations to define what the word "misconduct" meant as used in this particular statute. As I believe very often happens in seeking to define a word, the definition in this case operated to restrict actually the wording of the statute itself. In other words, if a member of the forces is dismissed by sentence of a court-martial or he is discharged by reason of civil conviction or if he is discharged for the stated reason "misconduct", that case comes before my board which, by regulation 15, is charged with the duty of determining the issue. We, in fact, because of the restriction in the definition in regulation 14, cannot set aside that misconduct charge. I hasten to add that in the great majority of cases which the board has seen where the individual was discharged by reason of court-martial and so forth, I think it is only right to say that he richly deserved that discharge. On the other hand, we did encounter cases where the offence in our judgment was what one might term a service misdemeanour rather

than a felony or anything of a criminal nature, and we have taken the position that while drastic disciplinary action taken by the service concerned at the time was proper and was necessary at that time for disciplinary reasons, still we entertained a very grave doubt as to whether it was ever the intent of the War Service Grants Act that an individual—when it is purely a service offence—should be deprived of all the benefits flowing from this legislation. But, as I said, because of the definition in the regulation we were unable to give a decision reversing that finding. We did, however, in some sixty odd cases refer the case back to the service concerned with an expression of our views to the effect that the misconduct discharge was an unduly harsh treatment, and in virtually every case in which the board has taken that action the service concerned has altered the discharge certificate to a non-misconduct classification, and that has enabled us to grant entitlement. However, that procedure has not helped us in respect to the people discharged by sentence of court-martial or discharged by reason of civil conviction, because the statute is completely mandatory in that respect; and there are a few cases, particularly dismissals by court-martial, where we feel that an injustice would occur if the man is to lose his gratuity.

Accordingly, we recommended to the minister that the regulations be amended to permit of certain discretionary authority by means of which the board would be able to correct what seemed to us to be inequities. That submission is presently before the appropriate authority, and I believe the intention is to implement it to the extent that these cases of which I speak can be adjusted. If I might give an example—

The CHAIRMAN: I think it would be a good idea.

The WITNESS: —of what I have in mind—

Mr. WOODS: The recommendation to which Brigadier Topp refers will be submitted to this committee with our recommendation broadening out the powers of this board, giving them discretion.

The CHAIRMAN: Have you it here?

Mr. WOODS: Yes.

Mr. WHITMAN: Before an example is given, is not this recommendation of the Legion that has just been referred to—is not that giving this board of review a certain amount of discretion in these cases? Is not that the recommendation that the Legion has made here? And is not that now being considered?

The CHAIRMAN: The deputy minister, gentlemen, has given me the recommendation referred to by Brigadier Topp, with the idea in mind of filing it and having it appear in the record; and, perhaps, if we file it in the record then Brigadier Topp would feel freer to refer to it.

Mr. GREEN: May I ask, is that the regulation, or is it proposed to change this draft bill which has been submitted to us?

The CHAIRMAN: This is a recommendation which was really going to be made to council, but now that this committee has been set up it is laid before the committee.

Mr. WOODS: As a proposed change in the draft bill.

Mr. GREEN: This draft bill is to be further changed to give the board of review extended power?

Mr. WOODS: That is right.

The CHAIRMAN: I will file this so that it will appear in the record.

(Recommendation appears as Appendix "B".)

Mr. WHITMAN: My question still is this: Does the recommendation meet with the desire of the Legion?

The CHAIRMAN: I do not suppose the Legion has seen it yet.

Mr. CROLL: Mr. Woods, what does it do?

Mr. WOODS: It confers on Brigadier Topp's committee the discretion to review these cases that Brigadier Topp has referred to.

Mr. GREEN: What about civil power cases?

Mr. WOODS: In the case of discharge for misconduct or in the case of dismissal in disgrace, it enables the board to review those cases and, for the purpose of the gratuity, to reverse the decision.

The CHAIRMAN: Brigadier Topp will continue. He has had a good deal to do with this matter, and he can give some specific instances; you can ask him questions.

Mr. WHITMAN: Is there an appeal from the decision of the board? Can an appeal be made to the minister after this board of review has made a decision?

The WITNESS: I suppose an appeal can be made to the minister, but actually there is no provision either in the Act or in the regulations for any such appeal. I think to all intents and purposes the decision of the board is the final decision.

The CHAIRMAN: Would you like to have Brigadier Topp continue his statement? I think we might as well have Brigadier Topp continue his statement.

The WITNESS: As Mr. Woods said, gentlemen, I think this submission fully implements what has been asked for by the Legion representative. I think it might be helpful if I mentioned one or two type cases which we have encountered where we feel that a degree of discretion should be employed.

I had a file just a day or two ago of an air force warrant officer who had been dismissed from the service by sentence of a court-martial. The circumstances, as I recall them offhand, were that the offence upon which he was convicted was that of striking his superior officer. The individuals involved were both at a repatriation depot just comparatively recently. I think both had had service in operations overseas. Both had served in the ranks together. One had become a commissioned officer. The other had remained a warrant officer. An argument about something or other arose and the warrant officer did strike the commissioned officer. He was charged under the appropriate section of the K.R.Os., tried, convicted, and sentenced to be dismissed from the service. As an Officer, knowing the need for discipline in that respect and so on, I quite agree that pretty serious punishment needs to be awarded, but whether that individual should lose his gratuity I suggest, gentlemen, is a matter that requires very careful thought.

Another type of case concerning which we entertain a great deal of doubt is the case of the young air force officer convicted of the offence of low flying. I am told that a lot of these splendid young pilots on completing their training, feeling their oats a little bit and often just prior to going overseas, got into the habit of stunting with aircraft at low levels for the benefit of their girl friends or somebody else. A great many very severe accidents occurred involving loss of life, loss of valuable aircraft, and so on. That situation was taken very firmly in hand by the R.C.A.F., and I think resulted, if not in an order, certainly in a suggestion to courts-martial that young men convicted of that offence would be dismissed from the service. A good many of them were so dismissed for just those circumstances even though no accident occurred, no loss of life, no damage to aircraft or anything of that sort, simply that they flew below the authorized level. They knew perfectly well they were committing a serious breach of regulations but nevertheless they did so. In most cases these lads re-enlisted at once as flight sergeants and gave valuable service thereafter, but when the case comes to us with the record of dismissal from the service, and the provision in section 11-A of the Act which states that benefits

shall be forfeited, at the present time the board is entirely powerless to do anything at all about it. This recommendation we made seeks to correct that situation.

I think I should also mention that for the same reasons there are some cases in which the board has felt it necessary to recommend that a gratuity be not paid because of some administrative error or something of that sort in effecting the discharge of the individual. I do not want to elaborate on that aspect of the matter too much, but this discretionary authority, as set out in the submission which has been tabled by Mr. Woods, provides that the board shall have discretion both ways.

I should add, however, that our concern as a board is to see that full justice and equity are effected in the administration of this Act. We have found in the four thousand or so files we have seen that in general naval and air force punishments have been more severe than army punishments. A naval rating or airman who is guilty of persistent and protracted absence without leave very often is discharged with ignominy or discharged for misconduct. In the army one may find a soldier who has been absent without leave for perhaps half or three-quarters of the time he was on strength and being discharged for perhaps services no longer required or something of that sort. Technically, at least, such a member is entitled under this Act, and one wonders just where the line should be drawn. Should the soldier, by virtue of whatever the circumstances were, be put in a more favoured position than the sailor or the airman?

I assure you, gentlemen, it is a most complex and perplexing job to go through these files which include all the offences that one can think of, both civil, criminal and service. I don't know that there is much I can say other than to tell you with all the sincerity of which I am capable that our purpose right from the outset has been to see primarily that the chap who gave good service, useful service, to his country in a time of emergency shall get all that we can possibly give to him.

Mr. FULTON: Mr. Chairman—

The CHAIRMAN: Just before you speak, Major Fulton, I thought that for the benefit of the committee, because they may not see the record, that I would just read the proposed amendment, not all the preambles, and so on, but the actual proposed amendment, so that you will have before you what the suggestion was.

"2. In Regulation 15, add the following new paragraphs,

(3) In deciding whether a member is entitled to any benefits under the Act the Board of Review may, notwithstanding the provisions of sections 11 and 12 of the Act and regulation 14, in its discretion, determine that the member's conduct in the service has been such as would have justified the appropriate service authorities in depriving him of his commission or warrant by reason of misconduct, calling upon him to retire or resign his commission or warrant by reason of misconduct, accepting his resignation by reason of misconduct or carrying out his discharge for misconduct. If the Board so determines it may order that no benefits under the Act be made available to such former member."

By the Chairman:

Q. That is the first thing. As I understand it regardless of what may be in the discharge papers your board can deprive him of the benefits of the Act? That is the first recommendation?—A. Yes, Mr. Chairman, or favour him.

The CHAIRMAN:

(4) The Board may, in the case of any member who has ceased to serve for any of the reasons set out in paragraphs (b), (c) or (d) of section 11—

(b) is where he is deprived of his commission or warrant by reason of misconduct; (c) is where he is called upon to retire or to resign his commission or warrant by reason of misconduct, and (d) is where his resignation is accepted by reason of misconduct.

—or paragraph (c) of section 12—

which is also misconduct,

—or by reason of the sentence of court-martial upon conviction by such court of an offence against Naval, Military or Air Force law which was not of such a nature as would be punishable under the criminal law, in its discretion, determine whether such member's conduct has been such as should disentitle him to any benefits under the Act, and if it determines that he should not be disentitled, may order that such benefits be made available to him;

Provided, however, that any decision of the Board which has the effect of making benefits available under the Act to a member of the forces who, but for the provisions of this paragraph, would not be entitled thereto shall be referred to the Treasury Board for its concurrence and such concurrence obtained before any benefits under the Act is made available to such member."

By the Chairman:

Q. There are just one or two things I would like to draw your attention to, Brigadier Topp, in connection with that. Apparently if he is convicted of something which would be a criminal offence you are still given no right to relieve him of that under this submission?—A. I think it would be quite proper to say that since that particular draft was prepared we have had an intimation that they are prepared to extend it even to the case of criminal offences.

Q. Minor criminal offences?—A. Yes.

Q. I see that the other part of clause, by reason of his having been convicted by a civil court, is not in the submission either. That is, if he is convicted by a civil court of some minor offence.—A. That is not included in the submission. I had hoped it would be discussed in this committee though I am not in a position actually to quote for the information of the committee any particular case where, so far as I know, substantial injustice has occurred from that cause. There have been one or two cases where members of the forces, on duty in Canada were convicted of offences under provincial liquor laws such as having a bottle of whiskey in an unauthorized place, or something of that sort. We felt that discharge by reason of civil conviction for an offence of that nature was a little harsh. I might say these were air force cases. We drew these cases to the attention of the air force and they altered the stated reason for discharge to something else and the gratuity was paid.

Q. You can get around it by having them change the reason assigned for discharge in the case of civil offences?—A. That can be done, yes. It may be a slightly unorthodox procedure but it is not obligatory on any of the services to discharge the member if he is convicted by a civil power. I think the order reads in most of the services that if the sentence is six months or more he is usually discharged by reason of that conviction, but it is entirely within the discretion of the appropriate service authority to determine whether a member of the forces who is guilty of a civil offence shall be discharged as a direct result of that conviction. They do not always do it by any means. In fact, the air force have changed a number of cases where discharge was effected for that stated reason on the suggestion of the board.

Q. Who would have the authority to reconsider and decide that the reason assigned for discharge could be changed? Who would have the right to decide that?—A. In the R.C.A.F., where the changes I spoke of were made, the authority is the air member for personnel, the member of the air council, I take it, concerned with the personnel.

Mr. FULTON: Mr. Chairman, in listening to the remarks which were made by Brigadier Topp it occurred to me that we really cannot find any satisfactory solution to this problem unless we define the principles for these purposes, that is, the principles for which rehabilitation grants and credits are made.

And here I had in mind something very much the same as you mentioned when you said that your board, as much as possible, does try to see that the man who served his country in time of emergency gets his grant or credits. And I think we have to decide for the purposes of these sections, section 11 and 12, whether the principle we are to follow is that the rehabilitation grant is a reward for services or whether it is purely and simply to rehabilitate a man who has spent a certain length of time in the services. In deciding that question I think we find somewhere in the present Act it states that the purpose is to rehabilitate the service man. Now, if we are to follow that principle that means that everybody gets some consideration. If he served five years he gets rehabilitation grant and credit at the rate of five years' service, no matter what his record of service may be. I think before we adopt that principle we should be very careful, in spite of what Major Mutch has said, to ask the question whether the good and faithful soldier, sailor or airman is to get no benefits in excess of those paid to the bad soldier, sailor or airman. By bad, I mean in the sense of a man who actually has not served, but who has spent half his time in jail and although he may spend an equivalent time—whether in the army, in the navy or in the air force—he spent half of it in jail and that man would have the same benefits when he is discharged as the man who served practically clear of any jail terms.

Mr. WOODS: Do you mind if I interrupt you there; would you be kind enough to permit an interruption?

Mr. FULTON: I would prefer to be permitted to complete my statement.

Mr. WOODS: I merely wanted to point out that no credit is payable for time spent in jail.

Mr. FULTON: I grant you that. That covers part of the point I am making. But, still, when you come to consider the question in the end whether this man is to be entitled to receive any benefits at all I think you should take into consideration, where his record is bad, whether he should come under the same terms and advantages as the man who is consistently good. I suggest that no decision which we reach can be fair until we decide on what principle the benefits are to be awarded: whether it is to be purely and simply the principle of rehabilitation, or whether the award is to be coloured by the aspect of reward for service. And, if so, if it is the latter, whether this review board should take that into consideration; that is to say, the aspect of reward for service. I was very glad to hear Brigadier Topp say they do take that into consideration. I think that is the first point that we should decide: what is the principle on which this board is to operate in reviewing these cases? And I think the illustrations given by Brigadier Topp support my contention as to the necessity for a determination of this principle. For instance, he gave us a case of a man who served in the Air Force practically for the duration of the war and who committed an offence at the very end and was discharged on that ground. And now, if you adopted the principle of service I think it would assist the board in arriving at its decision. If a man serves his country for five years he should get the benefit to the same extent as the man who served for five years and did not commit this one indiscretion.

The CHAIRMAN: I wonder, Major Fulton, if I might interrupt? It is a matter of deciding how we are going to proceed. We have these officers here, and I think it might be a good way to proceed if members were to ask their questions—we only have half an hour left—while Brigadier Topp is here. And then we have also here the representatives of the three services who can give us evidence in regard to the way in which payment out of gratuities is handled.

And we have available for the members of the committee the various people who can tell them how these various matters are handled. And might it not be a good thing to examine these people and then have the general discussion afterwards? I am in the hands of the committee on that; but it occurs to me that if each member of the committee were to make as extended observations as Major Fulton has just made we would have these people in attendance for perhaps a couple of meetings of the committee. I thought we should get through, if that meets the wishes of the committee.

Mr. FULTON: I must apologize, I have been guilty of an error. I do apologize, sincerely. I was not familiar with the procedure. I have some questions I would like to ask the Brigadier, and I would ask the members of the committee to excuse me for having taken up so much time. The question I wanted to ask was this: do you envisage applicants of this kind being given the right to appear before you? That is the first question.

The WITNESS: My personal opinion is that no useful purpose would be served by such an appearance. There is no provision for an applicant to appear before us, either in the Act or regulations. I do not think it would be a practical thing, sir, to provide for it.

Mr. FULTON: You do not think it would be of any use to allow him to appear and make a representation; or do you feel that the record before you is sufficient to enable you to dispense with that?

The WITNESS: We must perforce reply on the conduct sheet and all the other relevant documents that have to do with the soldier's service; and to the best of my belief there is no way in which we can go back and review the circumstances under which the man's offence was committed, or something of that sort. The offence may have taken place out in Italy; the individual man with whom we are concerned may no longer be alive. I do not think that as a practical thing it would be possible to deal with individuals. There have been a few individual applicants who have either lived in Ottawa or who came to Ottawa and who called at the offices of the board, and of course invariably we see them. But to travel around the country and see all these chaps would be a very difficult job.

Mr. WRIGHT: Are they not allowed to file a brief to present their side of the case?

The WITNESS: I did not get the question.

Mr. WRIGHT: Are applicants not allowed to file briefs with you stating their side of the case?

The CHAIRMAN: What he means is this: can they not make representation to your board showing why they think they are entitled to it?

The WITNESS: Yes, by all means, they may do that; but curiously we have had very, very little correspondence one way or the other. The representatives of the Legion have come in to see us from time to time.

Mr. CROLL: Are not these reviews automatic? You have a number of cases that were discharged, and you go over them whether they ask you or not; is not that the case?

The WITNESS: The case comes to us only when referred by the service concerned.

Mr. CROLL: By that you mean every individual case?

The WITNESS: Yes.

Mr. CROLL: And a man may not know that his case is being reviewed.

The WITNESS: No, he may not even know that it is before us. As a rule when the service sends a case I believe they write a letter to the applicant and say that it has been necessary to send the case to the Board of Review because

of the circumstances surrounding his discharge; that is a means of explaining any delay.

Mr. CROLL: But following up Mr. Fulton's question, do you think anything can be gained by seeing the man who is concerned through taking a look at him, his manner, his attitude, what he looks like, talk to him for a few minutes; do you think anything could be gained from that?

The WITNESS: It is difficult for me to answer that question. As some of you may know, I have been concerned in civil life with pensions administration for many years, and I am fully familiar with the desirability of seeing individuals and so on, in any judicial or quasi-judicial proceedings; but I do not, frankly, see how it would help us out in this particular problem to see the individual. Most of these cases that come to us are—

Mr. ADAMSON: How do they come to you—

The CHAIRMAN: Mr. Croll has the floor.

Mr. ADAMSON: On the recommendation of the D.O.C.?

The CHAIRMAN: May we continue with one person at a time?

Mr. TREMBLAY: In answer to that, and further to what the Chairman has said, I think in view of the fact that we have come here to iron out these squabbles and go into these problems with some view of correcting some of the wrongs, my own opinion is that the service personnel could gain considerably by hearing what we have to say, even if we do not finally incorporate it into an Act. It would give them some idea what is going through our minds, and they might assist us in correcting some instances before we went too far, by pointing out such facts to us. For that reason I think it is just as well that the service personnel remain here with us while we are discussing these matters. We may question them later on. My own thought on the matter is that it should not be necessary for this Board of Review to use, may I put it, a backdoor method of running to a personnel officer and saying, we think in this case perhaps a mistake has been made; that they should have unlimited powers to correct, because we are trying to look to this board to correct situations that will come to notice from time to time. And, as the news gets out that we are considering the cases, every one of the 4,000 will sooner or later write some member of parliament who will then probably have to bother the Minister or his parliamentary assistant. We can straighten out that situation, sir, and we are going to gain that much ground. Following what the Minister said, as I understood him, he gave it as his opinion that the purpose of the grant was to rehabilitate and re-establish the man. We have some difficulty in doing that where a man lived, say, in Texas or Massachusetts; and, administratively, we can understand that. On the other hand, I think in so far as I am personally concerned—I do not know who else shares the view—I feel that a man who got himself into difficulties, particularly knowing what happened in England during the long waiting period—in many instances there were men here who could not get over—that that particular person is the man who needs it the most if rehabilitation is our sole purpose, not reward; and I think that that is the thing we ought to have in mind. He is a Canadian; he served, he made his mistakes—some of them are very serious, and I do not think this committee would ask you to do anything about that at all; for instance, treason—something like that. I don't suppose any of us are in that mood at all at this time. But there are many instances, as you know, when a man did service, as Major Fulton says, for four and a half years and has been discharged. He now finds himself not only having lost four and a half years, but having nothing at all to go back to, and with a black mark ever afterwards for him. If the purpose of this Act is rehabilitation then some people should not have any more than other people. For that reason this board should have complete authority and power to do what they think necessary in the

circumstances and from time to time in order that these people be re-established. No doubt from time to time there will be matters brought up with which the Board will be asked to deal.

Mr. Mutch: I am not entirely in sympathy with the idea of hearing the Board until we have had an opportunity of expressing ourselves on what we have already heard. There are two things I would like to say: one arises out of the remarks of Brigadier Topp with respect to the severity of punishment in the services. I do not know that I have any cause to defend the army against perhaps the suggestion of laxity of discipline in that service—perhaps that was not intended—but these meetings are public and are reported. I think it can be said with complete justification that there was earlier—at least earlier and in my opinion—continuously, more study and analysis of the problems of delinquency in the army than there was in either of the other services. I can speak of my own experiences with respect to it. There are very well established three types of delinquency among service personnel; at least, I think they can be broken down into three principal types: there is the habitual criminal, there is the hopeless criminal and then there is the mentally ill; and they were found equally in both Canada and overseas. They were subjected to a very definite study and attempts were made to deal with these types of delinquents. I think the third group, those who are mentally ill, will have to be subdivided again into two groups. One of these would be the group for whom the facilities of the services were adequate for remedial treatment and remedial training; and that group, or most of them, became useful serving soldiers. But there was another group who were admittedly mentally ill or mentally deficient but for whom the services did not permit either the continuity or the type of treatment which was essential in order to make good soldiers out of them. In that group you will find a considerable number who were discharged for “misconduct” or “services no longer required”, not because of something they could have done and did not do, but because of inherent weakness in themselves which the services could not cope with. There should be a discrimination made in the case of those in that group.

The second thing I wanted to mention arises out of what Major Croll said, and that is the importance to the man himself who is ultimately rejected, either of a personal appeal if he is able to manage it, or representation on his behalf. I do not think it is possible to satisfy the serving personnel, and particularly their families and their communities, without some personal appeal from an adverse decision. I think the committee ought to seriously consider that when we come to consider this amendment to the bill. I think that principle of a man's right to appeal any decision to the highest authority and to present his own case in person when he is capable of doing it, should be given effect to.

Mr. CRUICKSHANK: On a point of order, Mr. Chairman, I do not want to be disrespectful to Mr. Mutch, but by the chairman's ruling Mr. Fulton was told to direct himself to questions. I want to make a speech on this, and probably other members of the committee do also. By the chairman's own ruling, the proceedings were to be confined to questions, yet this is going on the record as the point of view of the previous speaker. I think we should stay at questions; then we can give our opinions on the subject later. For instance, I want to give my opinion for the record.

There is another thing I wish to mention. I am not referring to the witness before us now, but we are all members of this committee. In the province of British Columbia, among the Canadian Legion out there, we are going to lose a lot of confidence if it is said around here, “Colonel Jones said this” and “General Somebody else said that” and “Major somebody else said the other”. We are all here as plain misters. I am not worrying about rank. I think if Mr. Fulton has to confine himself to questions, every other speaker should be in the same position.

The CHAIRMAN: I felt a little bit guilty about having suggested that to Mr. Fulton. I am in your hands in regard to whether or not titles are going to be used in the committee, and we may consider that later. But he so readily gave way to my suggestion that I really did not know whether I had the sense of the committee in the matter or not.

Mr. FULTON: I was advised by my good friend on my left.

The CHAIRMAN: I again ask the committee, how do you want to proceed with this thing? It is my feeling that if we hear the representations of every member of the committee in this way as we go along hearing witnesses, we will never get through the work that we have to do.

Some Hon. MEMBERS: Hear, hear.

Mr. DION: Let us hear the witnesses first.

The CHAIRMAN: Is that the sense of the committee? I am in your hands.

Mr. VIAU: I move that we proceed with questions first.

Mr. CRUICKSHANK: I second that motion.

The CHAIRMAN: All in favour?

Mr. MUTCH: What does that mean? It does not mean anything to me.

The CHAIRMAN: The motion is that we proceed with the questioning of witnesses before we have a general discussion. Is that clear to the committee? All against? Then I think we can take it that it is carried fairly unanimously. On that basis, I will try to act. I felt a little bit guilty in regard to Mr. Fulton, because I did not know whether the committee approved of what I had done or not.

Mr. PEARKES: On a point of order, Mr. Chairman, may I suggest that we follow the parliamentary custom and refer to everybody as mister, and drop all this distinction as to rank. We are all misters.

Mr. CRUICKSHANK: Hear, hear.

The CHAIRMAN: That is fine. I think that suggestion could not have come from any one better than the honourable member for Nanaimo, and I thank him for the suggestion.

Mr. ADAMSON: I should like to ask a question. It is concerning section 12.

Q. It says in the section, "shall be forthwith referred to the Board of Review as constituted by subsection 3 of this section." Is that mandatory? Does that mean, having regard to everybody who is discharged for misconduct, that his case automatically goes in front of the board, or does that mean that he has to apply in some way, and what is the machinery for that?—A. It means that in the first instance the member has to make his application to the service from which he was discharged. When that application is made, then it does become automatic or mandatory, if you like, that the case will be referred by the service to the board of review?

Q. It does not mean that the case of everybody who is discharged for misconduct automatically goes in front of the board. I just wanted clarification of the Act. That is all.—A. Yes, it does.

Mr. CROLL: No. He has to apply.

The CHAIRMAN: Let us get this cleared up. As I understand it, the question is this. The Act says that a person shall not have the benefit of the Act if he is discharged for misconduct. In that event, he would not get the benefit of the Act unless your board ruled that he should, under this proposal. That is correct, is it not?

The WITNESS: Yes. That is correct.

By Mr. Quelch:

Q. At the conclusion of hostilities, when the army is demobilized, just exactly what determines whether or not a man is given an honourable or a

dishonourable discharge? Of course, if he has a good record, he is automatically given an honourable discharge. But how many crimes will have to be on his record to give him a dishonourable discharge? Just what determines that?—A. That is a very difficult question to answer.

Q. It has a very direct bearing on this question, though.—A. Basically, misconduct discharges often depend on the individual's commanding officer or the individual district officer commanding who carries that out.

Q. That should not be the case, should it, though?—A. I do not know that I can answer the question any more clearly than that.

Q. Yet apparently that may be the cause of his losing certain rehabilitation benefits. Apparently there is nothing definite to govern whether or not he gets an honourable discharge or a dishonourable one.

By Mr. Blair:

Q. Following Mr. Mutch's statement, before we begin to ask questions, may I ask Brigadier Topp if, in considering these so-called psychic cases, there is any proof that they were psychic. I have reference to these cases of low mentality.—A. I have listened to Mr. Mutch with interest, gentlemen, because nearly every case where an individual is guilty of unorthodox conduct insofar as this particular subject is concerned, there is with that conduct a report from a psychiatrist which classifies the individual as being temporarily mentally unstable, a constitutional psychopath or a psychopath of some other sort. The Director General of Medical Services of the army—I speak now of General Chisholm—stated in regard to those cases that virtually all inmates of penal or corrective institutions of all sorts, could have a label of that sort attached to them. Those individuals are not insane in the sense that they are incapable of knowing the difference between right and wrong, and General Chisholm's view was that it would be unfair to the great body of the chaps who gave good service to discharge such individuals on medical grounds purely because of that instability or psychopathic personality or whatever it is; and in a great many cases, gentlemen, of such individuals returning from overseas, they have come back with a definite recommendation from the appropriate authority overseas that they be discharged for misconduct and not discharged because of the medical category for which this constitutional instability was the sole cause. These chaps have an almost uniform history. They nearly all come from broken homes where the parents were separated and so forth, and usually they have a civil-criminal record, and their army documents are just a succession of offences of all sorts. They are described as being incorrigible—go absent without leave, stay away until they are caught, are court-martialled, given a period of perhaps six months or more detention, and no sooner are they out of detention than they commit some other offence. So far as gratuity in those cases is concerned, there is very little at stake in a financial sense. I have seen many cases, for example, where the non-qualifying time, due to offences and punishments, has been so great that the amount of gratuity actually payable would be \$7.50.

Mr. McKAY: Mr. Chairman, is it proposed to make the effect of these amendments retroactive?

The CHAIRMAN: They would have a retroactive effect, naturally, of course. I think that could be taken for granted, that they would be retroactive.

Mr. CROLL: They must be of necessity.

The CHAIRMAN: Yes. Just in regard to this matter, in order to save unnecessary questions, I might say this. This has the effect, if the discharge is on the ground of misconduct, to give the board full authority to review the situation. If it is on the ground of discharge from the service for a court-martial, which is not for a criminal offence, the board has full power to deal

with the situation. The two cases where the board is not given full power under this suggestion is if there is a court-martial for a criminal offence and the person is discharged from the service on that account and if there is a finding of a civil court and the person is discharged from the service on that account. I suggest to the committee that we have the services give us a statement of where and when, and under what circumstances, discharges from the services are given for a court-martial for a criminal offence and for a conviction from a civil court. Then we will see under what circumstances these discharges are awarded, and then we can also consider as a committee whether we would leave it in the hands of the appeal board to deal with those cases or leave it in the position where they should have to go back and try to get the service authorities to change the basis of their discharge. That is a matter for the committee, it seems to me, to recommend. It seems to me that we might ask the services to give us a statement on this, where under this suggestion the appeal board is not given a right to deal with the situation. I think we will ask them to do that and submit it to us at the next meeting of the committee.

MR. WRIGHT: Mr. Chairman, I should like to ask Brigadier Topp a question. Would he see any objection to this committee making it compulsory to pay all benefits to soldiers up until the time that the offence is committed? I have in mind a soldier who has gone all through the war and has committed an offence since V-E day, and because of that offence he may lose his benefits. It seems to me that at least we should make it compulsory that all benefits be paid up until the time that the offence may have been committed, for which the benefits are going to be disallowed.

THE WITNESS: Certainly I would have no objection to such a procedure, sir, at all. Whether it is practical to do that I am not prepared to say at this moment. I would very much like to have an opportunity of either having representatives of the committee or of the subcommittee, or something of that sort, look into the actual details of individual cases which are affected by these things. It is extremely difficult to grasp what is involved unless you see the actual details, as it would take too long to try to tell you about it at this stage. But there is this one further observation that I would like to make on behalf of the board, and that is that we do not think it is good policy to add to the number of misconduct discharges, by which I mean that I do not think it would be good policy to ask the services to change the medical discharge, for example, to a misconduct discharge and place in the hands of that soldier or sailor a document which would possibly inhibit his getting civil employment and so on. On the other hand, we do feel that it was the intent of this legislation that the man who gave good useful service should be paid and the man whose conduct was discreditable should not be paid, irrespective of what the words on the document which is handed to him on discharge may say.

THE CHAIRMAN: You already have power under the first recommendation. In other words, you can deprive a man with bad conduct of his rights under this Act even though he is discharged for other than grounds of misconduct?

THE WITNESS: That is what is in that order, yes.

MR. MUTCH: That brings us back to what was said about determining whether or not this is a measure of rehabilitation and, therefore, the board should, in its discretion, give the greatest consideration to the man who gets it worst, or whether it is to be an award for services. We are talking in circles. It is evident from what the witness says that in the mind of the board or himself the question of meritorious service enters into the rehabilitation. Personally, I do not think that is the object of it. I think that clouds the whole thing.

THE CHAIRMAN: Now, gentlemen, it is 1 o'clock. What is the desire of the committee as regards our next meeting?

Mr. LENNARD: Just one moment, please. Mr. Chairman, you referred a moment ago to the fact that the members of the committee might not see the records; what records?

The CHAIRMAN: I refer to the records of the committee.

Mr. LENNARD: Will we not have copies?

The CHAIRMAN: You misunderstood me. I was referring to that matter with an idea of discussing it today. I handed out two or three copies.

Mr. LENNARD: We will have opportunities?

The CHAIRMAN: Yes.

Mr. FULTON: Will Brigadier Topp be with us again tomorrow?

The CHAIRMAN: Yes, and the other representatives of the services will be back, and I suppose the Legion will be back also. Now, is it the desire of the committee to meet tomorrow at 10.30 or 11?

Mr. CROLL: Make it 11 o'clock, the Ontario members have a caucus.

The CHAIRMAN: Let us have a decision. Wednesday is a sort of extra day which we are trying to get in.

Mr. GREEN: We have a caucus also.

The CHAIRMAN: I think the understanding was, gentlemen, that we would meet on Wednesday only when it did not interfere with other arrangements which are absolutely necessary. I understand that the Progressive-Conservative party have a caucus.

Mr. LENNARD: I do not know that we should make that a regular example. I think the Progressive-Conservative party should arrange their caucuses; this is an important body.

The CHAIRMAN: I am glad to hear you say that.

Mr. CRUICKSHANK: Hear, hear.

The CHAIRMAN: What is the desire of the committee; shall we meet tomorrow or shall we not?

Mr. GREEN: As I say, we cannot be here tomorrow.

The CHAIRMAN: Very well, we will meet on Thursday at 10.30.

The Committee adjourned to meet Thursday, October 18, at 10.30 o'clock a.m.

Appendix "A"

Memorandum outlining reasons for the granting of full gratuities and re-establishment credit and all the benefits of the post discharge re-establishment Order PC 5210 to elementary instructors whilst serving at civilian operated schools without pay.

Submitted by D. K. Yorath, Managing Director High River Flying Training School Limited, 215—6th Ave. W., Calgary, Alta. April 18th, 1945.

Method of Obtaining Elementary Instructors:

In the early part of 1940, the Canadian Flying Clubs in Canada were asked to enter into contracts with the Dominion Government for the operation of Elementary Flying Training Schools under the British Commonwealth Air Training Plan. There were some twenty-two Clubs who entered into such contracts on a non-profit basis and over the period of the next eighteen months, opened Elementary Schools in various parts of Canada. The High River Flying Training School, sponsored by the Calgary Aero Club, was awarded such a contract and commenced its operation in July 1940 at the city of Lethbridge, Alberta, and in June 1941, moved to the town of High River, Alberta.

At the outset of our operations, one of the major difficulties was the procuring of competent flying instructors. These men were finally obtained from members of the Flying Clubs who possessed their civilian pilots' licences; from ex-World War No. 1 pilots who had been engaged in some form of commercial flying spasmodically since the termination of the last war; from so-called bush-pilots in Northern Canada, and some from the United States. One of the requirements was that these men had to have a minimum of 150 hours civilian flying. At the outset, the majority of them had a great deal more than this. Upon signifying their desire to become Elementary Instructors, they were enlisted in the R.C.A.F. with the rank of Acting-Sergeants and were sent to the R.C.A.F. Station at Trenton, Ontario, for a flying instructors' course. Later on there were two other Flying Instructors Training Schools opened in Canada. Upon the completion of their instructors' course, these men were granted an instructors' category and posted on leave without pay to some civilian operated School (generally the one which originally contacted them) where they were paid by the operating Company, which in turn, was paid a monthly operating allowance by the Dominion Government to cover the salaries of these men and other expenses.

After a few months, this supply of civilian pilots became exhausted. As the scheme expanded, additional instructors were required. These instructors were provided by graduates from the Plan, i.e. boys who had enlisted in the R.C.A.F. had gone through Manning Depot, Initial Training School, Elementary Flying Training School, and Service Flying Training School. If selected as Elementary flying instructors, they were, upon the completion of their S.F.T.S. Course, given an instructors' course and then posted on leave without pay to a civilian operated Elementary Training School. During the entire period of their training, they were enlisted men paid by the R.C.A.F. (All trainees at the civilian operated Training Schools were, of course, fully enlisted men in the R.C.A.F.)

The civilian Schools were asked to watch for prospective Elementary instructor material in each Course that went through their hands. Before those so selected at the Elementary School graduated, they were interviewed to ascertain whether or not they would be willing to serve for a period of time as an

Elementary instructor. If the student expressed such a willingness, this was noted upon his documents which followed him to the Service Flying Training School where he was again interviewed towards the end of his course. Whilst there was no compulsion on these men to become Elementary instructors, they were at that time, sold very strongly upon the need for such instructors and upon the splendid work and vital necessity of the job they would be doing in this capacity.

It will be seen, therefore, that there were two categories of flying instructors: (1) Those who were civilians and were enlisted direct as Acting Sergeant-Pilots for the sole purpose of becoming Elementary instructors and (2) those who had enlisted, receiving their full training in the R.C.A.F. to be posted to whatever job was most essential at the completion of their course and who, due to the exigencies of the circumstances, were persuaded to become Elementary instructors.

In addition to these two categories, there were a few at the outset of the war who had been officers in the Auxiliary R.C.A.F. in one of the many Squadrons located across Canada. These men were, as a rule, flying instructors of some considerable experience and were, therefore, vitally needed at the Elementary Schools, most of them also being connected with one of the sponsoring Flying Clubs. Some of these officers were permitted to go on leave without pay to act as Chief Flying Instructors, Flight Commander, etc. at Elementary Schools.

Reversion to the Service Status:

In November 1942 it was decided, for many reasons, to call these men back from being on leave without pay and to place them directly in and under the R.C.A.F. This occurred on December 1st, 1942. With one or two exceptions, they were all of Sergeant rank, but within two or three weeks most of them were given the N.C.O. rank to which their length of service had entitled them, up to the rank of Warrant Officer, Second Class, regardless of the fact that they had been on leave without pay during that period. Within a few weeks, after recommendations had been submitted, many of them became Warrant Officers, First Class, and commissioned officers. Within a year, the great majority of them had obtained their commissions.

During the time that they were on leave without pay and for some months afterwards, it was practically impossible for these men to obtain overseas postings, regardless of how strong their desires to do so might have been. I visited many Elementary Schools in the company of high ranking officers of the R.C.A.F. On practically every occasion, these officers were besieged with requests from the instructing personnel for overseas postings. They were told, however, that their job was too important and that they would have to be content to remain in Canada for some time to come. At that time, the Air Training Plan was expanding rapidly and flying instructors were badly needed. All schools were short of their instructor requirements.

It was not until the summer of 1943 that overseas postings for these men started to come through to any extent. A few of them had been successful in obtaining a posting to other types of Training Schools, due to the necessity of giving them a change in the type of their work. A large number of them, however, stayed at the Elementary Schools at which they had been whilst on leave without pay, doing exactly the same job, but paid by the R.C.A.F. instead of by the civilian Company.

Position re Gratuities and Re-Establishment Credit and all the Benefits of the Post Discharge Re-Establishment Order PC 5210

With the reduction of the Training Plan, a great number of these men are now being retired—discharged or transferred to General Reserve. They received their gratuities and re-establishment credit and all the benefits of the post

discharge re-establishment order PC 5210 for the period that they received R.C.A.F. pay, but receive no consideration for the period that they were on leave without pay and paid by the civilian Companies. This, in my opinion, is an unfair discrimination. These men were the subjects of the system which applied at that time, and which in the opinion of all concerned, was felt to be the most satisfactory method of handling the Elementary Flying Training. It was no fault of theirs that they were on leave without pay and, in my opinion, they should not be subjected to any personal criticism or discrimination because of the system under which they were employed. Many of them have since gone overseas where they have acquitted themselves with the same credit as their companions who had been paid directly by the Service for the entire time of their enlistment. Many of them will have completed at least one or more Tours of Operations before they receive their discharges. This, after having put in two or three years of the arduous grind of instructing hundreds of boys to become pilots, the majority of whom preceded them overseas. The majority of these instructors, due to having been posted on leave without pay for such a length of time and due to having been instructors in Canada, now see their own students of a considerably higher rank than themselves.

It is my opinion that these men in 1940 and 1941 were the backbone of the Air Training Plan and that the Plan could not have been anywhere near the success it has been without their work. They deserve a great deal of credit for having carried on with the monotony of their instructional duties despite their desire to get overseas and despite hearing of the accomplishments in action of their own students. That some of them finally succeeded in doing so, has provided them with a fitting culmination to their earlier years of instructing during which they laid the foundation stones of the splendid Air Force we have today.

Financial Comparison:—

It has been contended that one reason why these men are not entitled to gratuities and re-establishment credit and all the benefits of the Post Discharge Re-Establishment Order P.C. 5210 for the period that they were on leave without pay is because the salaries that they received in that period of their service was, in its gross figure, higher than that received by instructors at R.C.A.F. Training Schools. This argument, however is hardly just, as the men who were on leave without pay paid full Income Tax whilst performing their duties, whereas those paid by the R.C.A.F. did not. In the majority of cases, the payment of this Income Tax brought the annual remuneration to a lower figure than that of Service instructors, despite the fact that it is generally conceded that the Elementary instructor is exposed to greater risk than the Service Flying Training School instructor.

The following figures will give the financial picture as it applies to these men. In consultation with officials of the Department of National Defence for Air, a scale of salaries was standardized for all Elementary flying instructors on the following basis:—

	per annum
Chief Flying Instructor.....	\$4,800
Asst. Chief Flying Instructor.....	4,200
Squadron Commander.....	3,900
Flight Commander.....	3,780
Flying Instructor.....	3,600

These were the maximum annual salaries that a man could receive in this respective category. In the majority of cases, those holding the position of Flight Commander and up were paid the maximum. The ordinary Flying Instructor, however, was as a general rule, started off at a salary of \$2,400 per annum, receiving an increase of \$300 per annum each six months, depending

upon his good behaviour and his ability, which placed him at the maximum of \$3,600 per annum after two years of service. In 1942 comparative statements were prepared showing their salaries after Income Tax deductions, whilst on leave without pay, with those of Service personnel. These comparisons were made on the 1942 taxation basis. It did not take into consideration such items as life insurance premium credits, etc. The salary figures for Service personnel included \$1.00 per diem subsistence allowance.

On this basis, a Sergeant-Pilot on leave without pay, married with no children, received a net cash income of \$2,356 per annum (assuming he had been employed for two years and was receiving the maximum annual gross salary of \$3,600). The Sergeant-Pilot in the Service who did not pay Income Tax received \$2,245 or a benefit in favor of the Sergeant-Pilot on leave of \$111 per annum. As a large number of Service instructors however, were above the rank of Sergeants, the comparison between this rank is hardly fair. I therefore give you the following other comparisons for your guidance. An instructor on leave without pay, married with no children, receiving a net salary of \$2,356, would receive \$829 less per annum than a Pilot Officer. A Flight Commander would receive \$939 less per annum than a Flying Officer. A Squadron Commander would receive \$1,483 less per annum than a Flight Lieutenant. A Chief Flying Instructor would receive \$1,845 per annum less than a Squadron Leader. These figures were prepared comparing the on leave-without-pay positions with the comparable ranks similar positions would hold in the Service.

In addition, I would point out that a flying instructor on leave without pay purchased his own uniforms although early in 1942 an allowance was made with the consent of the Department of National Defence for Air whereby these men received \$50 per annum (not retroactive) towards their uniforms. In the Service, N.C.O.'s receive all clothing free of charge and a commissioned officer receives a grant at the time he obtains his commission of \$150. Instructors on leave without pay, if they lived on the Station, had to pay their own room and board, this being a requirement of the Department of National Defence for Air. If they lived off the station they received no subsistence allowance. They received no free medical or dental care except First Aid. When travelling on leave, they did not obtain the reduced rates on railway and bus lines or other concessions that were accorded Service personnel.

At the outset of the Plan in 1940, there was no adequate provision made in the way of compensation for injuries occasioned whilst flying or pensions to beneficiaries in the event of death through flying. This situation was corrected early in 1941 by the means of covering these men either under a liability insurance policy or through provincial Workmen's Compensation Boards, whereby the men or their beneficiaries received practically the same compensation and pensions that they would have received had they been paid by the Service.

Several of these men received decorations such as the A.F.C., A.F.M., King's Commendation, etc. for outstanding efficiency as flying instructors. It is difficult to understand how they could be so recognized and also receive the recognition in rank that they did when reverting to the Service in 1942, and now not receive the same financial recognition as their colleagues.

Specific Individual Examples

You asked me to give you some concrete individual examples. I could give hundreds of names, but will select two or three which should suffice.

Squadron Leader W. W. Smith, A.F.C., Can. C.878, was Chief Flying Instructor and Manager of the Calgary Aero Club. At the outbreak of war, he was also a Pilot Officer in the Auxiliary Air Force in Calgary. When the Calgary Aero Club sponsored the Lethbridge Flying Training School, S/L Smith was placed on leave without pay and assumed the position of Chief Flying Instructor

at the Lethbridge School. He carried on in this capacity until January 1942, at which time the School was located in High River. In January 1942, he reverted to the Service in order to take over the position of Chief Supervisory Officer for the R.C.A.F. at the High River School. This position he occupied until December 1942 when all flying instructors still on leave without pay, reverted to the Service, at which time he remained in the R.C.A.F. and became Chief Flying Instructor and Commanding Officer of R.C.A.F. Personnel. He held this position until the School disbanded in December 1944, except for a six-month interval when he was posted overseas to attend a course at the Empire Central Flying School. S/L Smith has since been transferred to General Reserve and now holds a civilian position in Calgary. He will receive no consideration under the Post Discharge Re-Establishment Order PC 5210 for the time that he was on leave without pay, namely July 1940 to January 1942, during which time he organized the flying training at the School and carried on this training under the most difficult circumstances with the almost insurmountable obstacle of a shortage of flying instructors.

Flight Lieutenant J. E. Palmer, *A.F.C.*, *D.F.M.*, was a last-war pilot, prominent in commercial aviation in southern Alberta and British Columbia. He joined our staff as Assistant Chief Flying Instructor in July 1940 when he was sent to Trenton for an instructor's course and posted back to us as an Acting Sergeant on leave without pay. F/L Palmer held this position with the Company until January 1942 when he took over the position of Chief Flying Instructor, succeeding S/L Smith who left the Company's employ to become R.C.A.F. Chief Supervisory Officer. In December 1942, F/L Palmer, along with all the other instructors, reverted to the Service and became Assistant Chief Flying Instructor, receiving his commission within a few weeks of reverting to the Service. He was retired from the Service in July 1944 and is now operating his own business in the town of High River. Upon his retirement, he received no consideration for the time he was on leave without pay.

Flight Lieutenant C. C. Agar, *A.F.C.*, C.247744 joined the staff of the Edmonton Flying Training School as an instructor with the rank of Acting Sergeant on leave without pay. When that School was closed and transferred to Bowden, Alberta, to operate an R.A.F. Elementary Flying School with R.A.F. Service instructors, Sgt. Agar was employed by this Company as a flying instructor (Acting Sergeant on leave without pay). A few months after reverting to the Service in December 1942, he, along with a few others, was successful in obtaining a posting to a Service Flying Training School with a view to completing his Service training prior to going overseas, which had always been his one aim and ambition. Due to his age, however, he was not acceptable for overseas service and was once again posted to an Elementary Flying School at Abbotsford, B.C. in the fall of 1943. When that Station closed in the summer of 1944, he was transferred back to High River, and in November 1944 was retired from the Service and now is engaged in a civilian occupation at Langley Prairie, B.C.

Earlier in this memorandum, I referred to those men who were taken out of the Training Plan, but who had enlisted with the idea of going overseas, and who were persuaded to become Elementary instructors. Such a man is Flying Officer R. W. E. Stone, C.36519, who came to this School when it was operating in Lethbridge in 1941, as an L.A.C. Upon completing his course, his flying instructor and his Chief Flying Instructor both felt that he was ideal material for an Elementary Flying Instructor. Stone was interviewed as to his wishes. He was not particularly keen, being most anxious to see overseas service, the job for which he enlisted. He felt, however, that if he was not going to be confined to Elementary instructing for too long a period, that the experience would be of benefit to him. Upon completing his course at Service Flying

Training School, he became an Elementary instructor and received an instructor's course, at the conclusion of which he was posted back to our School at High River as an Acting Sergeant on leave without pay. He reverted to the Service along with the other instructors in December 1942, and remained with us until the closing of the School in December 1944, during which period he became married and now has one child. In that time, he made several requests for overseas posting but was not successful. He finally had his ambition realized and was posted overseas in March of this year.

Commencing with the summer of 1943, several of our older (in point of service) Elementary instructors who had been on leave without pay, obtained their desires and were posted overseas. Several of these men are still over there, well on the way to the completion of a Tour of Operations. I will give you the names of three of these men who are still in the Service and who, if the present ruling applies, will not obtain rehabilitation consideration for the period that they were on leave without pay. They are Flight Lieutenant M. W. Davidson, *D.F.C.*, C.23562; Flight Lieutenant F. Dawson, Can. J.23026; Flight Lieutenant W. Burnett, C.24745. Another one of our men who was with us when the School opened in July, 1940, Flight Lieutenant H. C. Thompson, C.20733, was recently reported as missing and, I believe, presumed dead. There are many others too numerous to mention.

Other Civilian Employees

It has been suggested that if the recommendations contained in this brief were implemented, civilian staff of this school, such as mechanics etc. would have justification in making a similar claim. This we do not believe to be a sound argument. These men were employed as straight civilians, well aware at the time that they were employed on a strictly civilian basis, the same as any other civilian job and that they would not receive any special consideration. They were not subject to any special hazard or risk to their life as were the flying instructors.

It has been further suggested that if these flying instructors were treated under the Post Discharge Re-Establishment Order PC 5210 the same as service personnel that other civilians such as those screened for farm work, mining etc., would have justification for a similar claim. In my opinion the same argument applies to the latter type of worker as those mentioned in the immediately preceding paragraph. They knew that they were considered as civilians and would only be treated as such. They cannot compare to any persons in the services doing the same type of work, nor in the majority of cases were they subjected to any great risk of life.

Reasons Supporting Full Gratuities and Re-Establishment Credit and all the Benefits of the Post Discharge Re-Establishment Order PC 5210

My claim, in which I have no personal interest other than to see justice done, is that the whole matter should be reviewed and serious consideration given to revising the order which only gives gratuities and re-establishment credit and all the benefits of the Post Discharge Re-Establishment Order PC 5210 to these men during the period that they received Service pay. My chief reasons for making this claim are:—

(1) That without the service of these men in 1940, —41 and—42, the progress of the British Commonwealth Air Training Plan would have been seriously retarded.

(2) Whilst not paid by the R.C.A.F. or in R.C.A.F. uniform, these men were enlisted in the R.C.A.F., receiving recognition as far as rank promotion and decorations were concerned. Although enlisted and wearing civilian uniforms they were performing exactly the same duties as other flying instructors in R.C.A.F. uniforms and paid by the R.C.A.F.

(3) That the conditions of living and the pay received gave them no advantage over Service personnel.

(4) That a large number of them had practically no choice other than to become Elementary flying instructors. (In 1940 and '41 the educational requirements of the R.C.A.F. were such that few of these men could have enlisted in the R.C.A.F. for training by them as overseas pilots. Several of these boys, therefore, became Elementary instructors as their only means of becoming engaged in wartime flying and with the hope that it would be the ultimate means of their getting overseas.)

(5) The majority of them, from the time that they became engaged as flying instructors, had one desire, namely, to get overseas, which was evidenced by the number of them that did so as soon as restrictions were relaxed.

In my opinion, there are three reasons why it is in the interests of the men themselves and Canada as a whole that these men should receive the same treatment as their colleagues in the Services:—

(1) To eliminate unfair discrimination against them because of the system of operation, at that time deemed advisable.

(2) To place them on a parity with other R.C.A.F. personnel, many of whom have not had the length of service that these men have had, many of whom were not exposed to the risk that these men undertook, and many of whom have not done any more actual operations service than many of these men.

(3) To give them every single cent possible to enable them to rehabilitate themselves on a parity with other Service personnel and thus to make them more useful and better Canadian citizens.

My desire is not merely to see these men obtain more money, but to provide them with money to which I think they are entitled and which a large number of them are going to need. I have previously referred to the lack of educational requirements of several of these young men. Many of them were very young, many of them had never worked in their lives before becoming flying instructors. They have now grown old in Canada's service, having been accustomed to a high income and a comparatively high standard of living. A great number of them have become married and have acquired families. To properly rehabilitate them, they are going to require every penny they can obtain. They themselves know that they have done a good job, that they have had no advantages over Service personnel. If the present discrimination against them is to stand, I am afraid they will be a very disgruntled body of men.

The representations of the Canadian Legion on behalf of these Elementary flying instructors, of which I imagine there would be some fifteen hundred or two thousand in Canada, will, I know, be greatly appreciated by them.

Very truly yours,

D. K. YORATH,
*Managing Director, High River Flying
Training School, Ltd.*
215 6th Ave. W., Calgary, Alberta

APPENDIX "B"

OTTAWA, August 30th, 1945.

To His Excellency The Governor General in Council

The undersigned has the honour to report that:—

- (a) Sections 11 and 12 of the War Service Grants Act, 1944, provide that no member of the Forces shall be entitled to any benefits under that Act if he has ceased to serve by reason of misconduct or any of the other reasons set out therein.
- (b) Regulation 14 of the War Service Gratuity Regulations made and established by your Excellency in Council by Order in Council P.C. 9440, dated 19th December, 1944, defines "misconduct" for the purposes of sections 11 and 12 of the Act.
- (c) By regulation 15 (2) of the said Regulations there is constituted and established a Board of Review and it is provided therein that "it shall be the duty of the Board and it shall have power to decide whether or not a member whose application has been referred to it under paragraph 1 of this regulation is, by reason of sections 11 and 12 of the Act and regulation 14, disentitled to any benefits under the Act".
- (d) Numerous applications are being referred to the Board of Review by the appropriate Service authorities in which retirement or discharge was not effected for the stated reason "misconduct" or other specific reasons set out in sections 11 and 12 of the Act. In every case so referred the Service concerned has expressed doubt as to entitlement of the member because of his conduct in the service as disclosed by his record. Likewise there is a limited number of applications in which retirement or discharge has been effected for the stated reason "misconduct" but in which offences leading thereto were in the nature of Service misdemeanours rather than misconduct in the ordinarily accepted meaning of this term.
- (e) Applications referred to the Board have disclosed wide divergence in the customs, discipline and discharge procedure in the three Services as well as marked lack of uniformity both in stated reasons for discharge and the degree of gravity of offences leading to discharge. In addition changes in policy from time to time have so affected discharge procedure as to make equitable application of provisions of the Act to personnel discharged at different periods of the war virtually impossible under the present Regulations.
- (f) Several hundred applications have been referred to the Board notwithstanding that retirement or discharge has been effected for reasons other than misconduct in which no decision has been made. Additional cases of the same type are being referred to the Board daily. The Board has reported these cases individually to the Deputy Ministers of the three Services with a recommendation that payment of benefits be withheld on the ground that such payment would be inconsistent with the spirit and intent of the Act, would discriminate against the great body of members of the forces whose conduct has been good and would be contrary to the public interest.
- (g) This problem was referred to a conference convened by the Deputy Minister, Department of Veterans Affairs comprising representatives

of the three Services and that Department, for the purpose of examining into the administration of the Act. The conference recommended that steps should be taken forthwith to so amend the War Service Gratuity Regulations as to vest in the Board authority under which the actual conduct record of the member shall be the determining factor in entitlement under the Act irrespective of the stated reason for retirement or discharge.

- (h) It is therefore considered that the said Regulations should be amended to vest in the Board power to order that no benefits under the Act should be made available to a former member if his conduct in the service has been such as would have justified the appropriate service authorities in effecting his retirement or discharge on the ground of misconduct. It is further considered that the Board should be empowered to order that benefits under the Act be made available to a former member who has been retired or discharged on the grounds of misconduct or by reason of a sentence of a court-martial upon conviction by such court of an offence against Naval, Military or Air Force law which was not of such a nature as would be punishable under the criminal law if in its opinion such member's conduct has not been such as should disentitle him to such benefits; provided, however, that any such decision of the Board shall be referred to the Treasury Board for its concurrence before any benefit under the Act is made available to such a former member.

The undersigned, therefore, has the honour to recommend that Your Excellency in Council, under and by virtue of the provisions of the War Measures Act, be pleased to order that the War Service Gratuity Regulations made and established by Your Excellency in Council by Order in Council P.C. 9440 of the 19th day of December, 1944, be amended as follows:—

1. In Regulation 15 (2), line 6, *delete* "and Regulation 14 of these Regulations,".
2. In Regulation 15, *add* the following new paragraphs,
- (3) In deciding whether a member is entitled to any benefits under the Act the Board of Review may, notwithstanding the provisions of sections 11 and 12 of the Act and regulation 14, in its discretion, determine that the member's conduct in the service has been such as would have justified the appropriate service authorities in depriving him of his commission or warrant by reason of misconduct, calling upon him to retire or resign his commission or warrant by reason of misconduct, accepting his resignation by reason of misconduct or carrying out his discharge for misconduct. If the Board so determines it may order that no benefits under the Act be available to such former members.
- (4) The Board, may in the case of any member who has ceased to serve for any of the reasons set out in paragraphs (b), (c) or (d) of section 11 or paragraph (c) of section 12, or by reason of the sentence of court-martial upon conviction by such court of an offence against Naval, Military or Air Force law which was not of such a nature as would be punishable under the criminal law, in its discretion, determine whether such member's conduct has been such as should disentitle him to any benefits under the Act, and if it determines that he should not be disentitled, may order that such benefits be made available to him;

Provided, however, that any decision of the Board which has the effect of making benefits available under the Act to a member of the forces who, but for the provisions of this paragraph, would not be

entitled thereto shall be referred to the Treasury Board for its concurrence and such concurrence obtained before any benefit under the Act is made available to such member.

Respectfully submitted,

"I. A. M."

Minister of Veterans Affairs.

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, OCTOBER 18, 1945

WITNESSES:

Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review,
War Service Grants Act, 1944.

Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs.

Lt. Commander J. A. Sutherland.

Air Commodore D. E. MacKell.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF PROCEEDINGS

THURSDAY, October 18, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Belzile, Brooks, Bruce, Cleaver, Cockram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Dorion, Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Green, Harkness, Harris (*Grey-Bruce*), Isnor, Jutras, Langlois, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, Winkler, Winters, Wright.

In attendance: Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review, War Service Grants Act, 1944; Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs; Lt. Commander J. A. Sutherland; Air Commodore D. E. MacKell.

Mr. Woods was recalled and furnished the Committee with information he had obtained through the Department of the Secretary of State regarding rehabilitation benefits paid by the United States Government to former members of the United States forces residing in Canada and to American citizens for service in the Armed Forces of Canada.

It was ordered that this information be printed as Appendix "A" to this day's minutes of evidence.

On motion of Mr. Harkness, it was resolved that representatives of the three Armed Services be called and heard on the regulations governing the payment of war services gratuities to service personnel discharged for misconduct and the proposed amendments thereto.

Examination of Brigadier Topp was concluded.

Mr. Gunn submitted a recommendation to the Committee regarding clause 12 of the proposed draft bill to amend the War Service Grants Act.

Commander Sutherland filed tables setting forth the regulations regarding the discharge of officers and ratings from the Naval Services which is printed as Appendix "B" to this day's minutes of evidence.

Commander Sutherland was retired.

Air Commodore MacKell was called, heard and questioned.

Air Commodore MacKell was retired.

At 12.55 o'clock p.m., the Committee adjourned until Friday, October 19, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 18, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, the deputy minister tells me that he has received information in regard to the benefits given in the United States, and as there was a great deal of interest taken in that subject at the last meeting of the committee, I suppose we may at this point hear from Mr. Woods in regard to the information he got on that point.

Mr. WOODS: Mr. Chairman and gentlemen, there were two questions which arose in this committee. I transmitted them through the Department of External Affairs to the United States, and have received a reply.

The first question was: Are any United States rehabilitation benefits payable to United States veterans residing in Canada; and if so, what? The answer to that is, yes, and the nature of the benefit is training in Canadian universities; that is, they pay the costs of the courses up to \$500 per term plus maintenance benefits.

The second question was: Do Canadian veterans who came from the United States to enlist and are now residing in the United States participate in any of the United States rehabilitation benefits; and the answer is, no.

Mr. CROLL: Would you mind repeating that second question again, please?

Mr. WOODS: The last one was: Do Canadian veterans who came from the United States to enlist in the Canadian forces and are now residing in the United States participate in any United States benefits; and the answer is, no.

Mr. HARRIS: As I understand the question it was not as to United States citizens who served in the Canadian army and are now in the United States, but rather whether Canadians who happened to be in the United States and came here to enlist would get the benefits.

Mr. WOODS: That was the last one.

Mr. HARRIS: I think the word you used was, or it might be taken to mean, Canadians coming from the United States to enlist, not Americans.

Mr. WOODS: Well, the first question was: Are any United States rehabilitation benefits payable in Canada—that is, to men who served in the American forces and who are now residing in Canada—and the answer to that was, yes; and the nature of the benefits, training. Then, the second question with respect to Americans who enlisted in the Canadian forces and returned to the United States; do they participate in any of the American benefits; and the answer to that was, no.

Mr. HARRIS: I would understand the second question there, where you say "Canadians", to mean Canadians from the United States. Perhaps I did not get you correctly.

Mr. WOODS: I used the term Canadian veteran, but actually it was the man who was domiciled in the United States and served in the Canadian forces and then returned to the United States: does he participate in any United States benefits; and the answer is, no.

Mr. CLEAVER: May I call your attention to this also, that there were a number of Dutch citizens not naturalized as Canadian subjects but living in Canada who while domiciled here, enlisted in the Dutch army; are they entitled to benefits under the rehabilitation scheme?

Mr. WOODS: That is a question, which I think is on the agenda later, Mr. Chairman, is it not? It relates to men who served in foreign forces?

Mr. GREEN: Are you sure that your question as submitted to the United States authority covers the cases of Americans who came to Canada and enlisted in our forces and have then gone back to the States after discharge? That is the question in which Mr. Harris is interested.

Mr. HARRIS: As I heard the question a moment ago I would take it to mean Canadians who came here to enlist, not Americans.

Mr. WOODS: I will be glad to put the questions and answers as received into the record. The statement arrived in my office just now and there was not sufficient time to permit of its being copied; but I certainly think the questions make it perfectly clear that it applied to Americans who came to Canada to enlist and returned to the United States.

Mr. GREEN: Whether they were Canadians originally or not?

Mr. WOODS: That is right.

Mr. WRIGHT: What was the position of the man who enlisted in the Canadian forces and served a part of his time in the Canadian forces and then went to the States and served in the United States forces? Would his time of service in the Canadian forces count in his American benefits?

Mr. WOODS: Service in the Canadian forces does not count; but the period of service required in the American forces is so short to entitle a soldier to all their benefits that he would be entitled to the American program of rehabilitation in any event in a matter of ninety days.

The CHAIRMAN: We will then, with the consent of the committee have Mr. Woods place on record the exact terms of the questions and answers so there will be no doubt about it. If that is the wish of the committee that is what we will do.

(Statement appears as appendix "A")

Were you through with your submission of the other day, Brigadier Topp? Do any members of the committee wish to ask Brigadier Topp questions? Or would the committee like to hear from the various representatives of the service with regard to the certificates of discharge given in cases of misconduct, and what their attitude is in regard to certificates of discharge being given that are not on grounds of misconduct, and have been reviewed by the Board of Review which was set up under this Act. I would like to have a motion from the committee as to just what they prefer to do this morning; whether you wish to hear from the representatives of the armed services on this question, or to hear further from Brigadier Topp.

Mr. HARKNESS: I move we hear from the other representatives of the armed services so we may have the whole thing on record first.

Mr. LENNARD: Just one word, if I may, Mr. Chairman. I do not know whether we ought to do this thing piecemeal or not. We got down through this brief of the Canadian Legion to this question of discharges for misconduct. Now, there is more of this. Are we going to take it up some other time or just disregard it?

The CHAIRMAN: What I understood the mover of this motion to have in mind was that we would try to exhaust the question of discharges first and then go on.

Mr. LENNARD: As long as these other items are to be taken up late.

The CHAIRMAN: We will go on with them later on.

Mr. LENNARD: All right.

The CHAIRMAN: Then, with the approval of the committee we shall hear from the army in regard to this question. What representatives have we? Brigadier Topp says that he has brought along a file showing how the matter works, which perhaps we could hear. Then we could hear from the navy. I made a mistake, perhaps, in not calling the navy first, they being senior service—I see they are on deck—but we could have a few words from Brigadier Topp, just to lay the foundation, and then we will have the navy. Brigadier Topp, will you give us that information?

Brigadier C. B. TOPP, Chairman, Board of Review, War Service Grants Act, recalled.

The WITNESS: Perhaps I might for purposes of clarity explain again that under the War Service Grants Act a member of the forces must make his application to the service of which he was a member. The paying authorities of that service review the application, checking up the service and so forth; and if the case is in order in all respects that soldier gets his gratuity at once without any further consideration at all. I think it is correct to say that at least 97 per cent of all personnel who were members of the armed services are in that category. In other words, the proportion of people discharged for misconduct is comparatively small. However, the application must be made to the service; it must be considered by the service; and it is only after the service people decide that the individual is not entitled, or it has a doubt as to entitlement, that the case goes to the Board of Review.

I have with me specimen cases of personnel discharged by sentence of court martial. The first one is an Air Force officer who enlisted in 1942, completed training as a pilot, was commissioned, and on his last flight prior to being posted for operational duty was flying in the vicinity of his old school and as a parting gesture to his former classmates, he circled around the school at a very low level several times. The number of his aircraft was taken by the school authorities and was reported to the R.C.A.F. The officer was court-martialed, was dismissed from the service, and subsequently, at once, re-enlisted as a Flight Sergeant and rendered good service thereafter. That case by reason of dismissal by court martial was referred by the service to the Board of Review. The Board of Review is quite powerless to do anything with it because of the mandatory provision in Section 11 of the Statute, that officers dismissed from the service by sentence of court martial shall not be entitled to any benefits. It might be of interest for purpose of illustration just to read the comment made by the members of the Board when that case came before us for consideration. I might say that my senior Air Force member is a very distinguished officer with service in North Africa and Europe as a bomber pilot, in respect of which he was decorated for gallantry in action. He remarked with regard to this case:—

Regardless of first impression that this is a tragic case, the cases of young fine chaps killed during these stunts are still more tragic. In view of repeated warnings given to aircrew not to fly low over other human beings, specially . . . it seemed to him that the service decision was correct.

I remarked on the case:—

I quite agree that low flying endangering the life of others as well as that of the pilots, together with the safety of the aircraft, is a serious offence. It seems to me, however, to be of a character that may not have been contemplated by the legislators as being misconduct in the ordinary sense of the term. It is prompted by a trait common to most young people, namely to show off, and to me does not imply moral turpitude. In a way it is an intangible element that I think is bound to crop up in any group of normal youngsters and which has its roots deep in human nature. On the other hand there was bad judgment and disobedience of specific instructions which, of course, call for severe punishment. One feels, nevertheless, that dismissal by court-martial was adequate in itself, without the added penalty of loss of gratuities. It is also to be observed that prompt re-entry is evidence of this young man's good spirit. Still we must disentitle in respect of the first period of service though it is my intention to place the general subject of low flying before a parliamentary committee in due course, if given the opportunity of doing so. If the grant is to be paid in these cases, I believe that no other agency than parliament can provide enabling authority.

By Mr. Mutch:

Q. May I ask one question there. You distinguished between the first and second periods of service?—A. Yes.

Q. Is there any question of entitlement for the second period?—A. There is no question whatever of entitlement for the second. He is entitled.

Q. There is no question that the man's disbarment in a previous period of service could carry over into the second?—A. That is right.

By Mr. Green:

Q. Do the terms of the draft bill give the board of review power to deal with a case of that kind?—A. I am not sure that I heard the question, sir.

Q. Do the terms of the draft bill give the board of review power to deal with a case of that kind?—A. I was present at the conference of the Justice Department drafting the bill and at that time it did include the provision. I have not, as a matter of fact, seen the draft bill since. I believe it does.

The CHAIRMAN: What you are thinking of is the draft proposed order in council filed at the last meeting of the committee.

The WITNESS: That does include the necessary authority.

Mr. GUNN: Might I just say a word here?

The CHAIRMAN: This is the solicitor for the Department of Veterans Affairs, Mr. Gunn.

Mr. GUNN: With regard to the point raised as to the amendment to the bill as it stands taking care of the situation that is now before us, I may say that that is covered by the submission to council that was entered into the records the day before yesterday. But we have an amendment to the bill as it stands, ready to submit to this committee at any time.

The CHAIRMAN: That is, that submission that was filed?

Mr. GUNN: Yes, really taking the terms of the submission to council, that order, and putting it into proper language for an amendment to the bill.

Hon. Mr. MACKENZIE: That covers the point.

Mr. GREEN: This clause 12 itself does not give power.

Mr. GUNN: No, it is not all there. It is only partly there.

The CHAIRMAN: Brigadier Topp had in mind what was filed in the last meeting of the committee. You have that amendment ready, have you, Mr. Gunn?

Mr. GUNN: Yes. It is only ready in typed form. It could be read into the record, perhaps.

The CHAIRMAN: I think it would be a good thing to do.

Hon. Mr. MACKENZIE: Yes.

Mr. CLEAVER: I wonder if we could have that draft read to us now?

Hon. Mr. MACKENZIE: Yes. We are just going to give it to you.

The CHAIRMAN: That is, at last meeting of the committee we read the submission to council. Now the solicitor is ready to lay before you the proposed amendment to this draft bill which embodies that proposed submission. If Mr. Gunn will just read that, we will have it in the record.

Mr. GUNN: This will be a continuation of the matter contained in clause 12 of the bill that is before the committee, and will be sub-clauses (5) and (6). You will observe that we have 12B, (1), (2), (3) and (4). This will be (5) and (6). Sub-clause (5), reads as follows:—

Notwithstanding any stated reason for discharge, the board may decide that a member is not entitled to any benefits under this Act, if, in the opinion of the board, the conduct of the member was such that the appropriate naval, military or air force authorities might have discharged him for misconduct.

Sub-clause (6) reads as follows:

The board may, with the approval of the Treasury Board, exempt any person from the operation of section 11 or section 12 of this Act in any case where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act.

Mr. MUTCH: Is that a usual reservation?

The CHAIRMAN: The Treasury Board?

Mr. MUTCH: Yes.

Mr. GUNN: I would not say it is usual.

Mr. MUTCH: It is not very satisfactory.

Mr. GREEN: The effect of that amendment is, in the first place, to give this board of review power to take away a grant which they have not got now; and then they can give a grant, but only with the approval of the Treasury Board.

Mr. GUNN: That is right.

Mr. MUTCH: It places the final authority in the hands of the Treasury Board, an unsympathetic organization, rather than in the hands of the board which has been set up for that purpose. Perhaps this might be taken as notice of objection to both amendments.

The CHAIRMAN: Just on that point, the taking away of the right which a man would be entitled to on account of having a discharge without any misconduct alleged—that is not subject to Treasury Board.

Mr. MUTCH: Oh, no. They have full power to deal with that.

The CHAIRMAN: But the right to give the grant regardless of discharge owing to misconduct, according to this proposed amendment, would be subject

to the ruling of the Treasury Board; and it was because of that fact that I thought the committee today would like to hear from the representatives of the services as to what they thought of that proposal.

Mr. CROLL: Mr. Chairman, I do not think it would be the sense of any members of the committee to clothe the board with any authority to take away a grant at any time; not for any reason that I can foresee at the moment. The other point, of course, is a debatable question and if I have the sense of the committee at all, it is to clothe them with the widest powers to grant it. But as a member of the committee I should object very seriously to giving approval to any such authority to the board, and I say that without any reflection on the board at all; it would apply to any board. I think we will muddle the case a bit if we start dealing with both of them together. I think the department would be well advised to forget about the first part rather than have it incorporated and then have this committee object, which I think they would, if I have the sense of the committee correctly. Let us deal with the other portion of it, and I think we will put it on a fair basis.

Mr. COCKERAM: This board of appeal can recommend that the gratuity be given in certain cases; and I fail to see, if this board of appeal is going to be given any authority, why they should have to refer it again to a second authority, namely the Treasury Board. I think once this board of appeal recommends payment, it should be final. I feel once it has to go to Treasury Board, it will be turned down and the man will be out of luck.

Hon. Mr. MACKENZIE: I am not a member of the board.

Mr. GREEN: You ought to be ashamed to admit that.

Mr. FULTON: I want to support very strongly the suggestion made by Mr. Croll. I had it down as a question to ask at the outset of the proceedings today, but in view of the procedure I reserved that question. I feel we should object very strongly to any power being given to the board to adversely affect a decision to give a man a gratuity. But I feel that we should, having gone on record as we have to that effect, reserve our future discussion of that question until we have dealt with the matters which you suggested. I think I am correct in saying that it is the feeling of this committee that we will not allow any such proposal eventually to be incorporated in the Act, and I feel we will get confused if we discuss it now.

The CHAIRMAN: There is one question which is not clear in my mind, and I have tried to follow it as closely as I could. If a man has had a clear discharge, and no grounds of misconduct appear on his discharge papers, as I understood the Act, he would automatically be entitled to a gratuity. I am just wondering if Brigadier Topp would clear that up, whether people in that category have all their gratuities held up because of some suggestion that back of this clear discharge there has been something in their record; because from something that has been said this morning I got the impression that some of these gratuities are held up regardless of a man having a clear discharge. I wonder if Brigadier Topp will clear that up.

The WITNESS: Yes, I can do that. I might say at once that no gratuity has been refused in a case in which a man has a discharge certificate which is not for misconduct. In a number of cases, however, no decision has been given pending clarification of the situation, which I will try to illustrate at the present time.

By Mr. Mutch:

Q. That does not answer one question. How does that get to you? How do the documents of a man who has been discharged with a clear sheet get to

your board for consideration at all?—A. By reason of the provision in regulation 15 which says that the services may refer to the board any case in which they have reason to doubt entitlement.

Q. That is, have reason to doubt their own discharge?—A. That is the case.

Q. That is what it amounts to?—A. Yes. Where they think that an error had occurred or where something had gone wrong somewhere. I think I can illustrate what the point is quite clearly here.

By Mr. Cockeram:

Q. I wonder if I might ask Brigadier Topp a question here? This might not be the time to ask it, but the question is this: does this appeal board also go into the case of medals and decorations of these men?—A. No.

Q. I see it comes up. You have another board.—A. Mr. Chairman, by quoting these cases I think I can illustrate the point mentioned.

The CHAIRMAN: Would you rather do that or would you rather have the services deal with it themselves and then you could sew up anything they had not covered?

The WITNESS: Yes.

Mr. CROLL: Give us one case.

The CHAIRMAN: All right.

The WITNESS: I have before me a case of a soldier who was discharged for misconduct following a sentence of four years penal servitude for desertion in the field.

By Mr. Isnor:

Q. Before we go on with case 2, may we clear up case 1. I should like to clear up a point. I am a layman and I am unable to follow legal terms as quickly as other members. In the first case quoted when the party re-enlisted and became a flight sergeant there is no question from that date on of his receiving the benefits covered in clause A?—A. No question whatever is raised about the second period of service.

By Mr. Cleaver:

Q. Before we leave that case, Mr. Chairman, I should like to have the opinion of Brigadier Topp as to this suggestion. When this young man re-enlisted as a sergeant in the air force and fully qualified himself for the gratuity do you not think that should have washed out the past misdemeanor? What would you think of an amendment to the Act that would provide that as long as a man at discharge is fully qualified, that is, has an honourable discharge, that that honourable discharge should automatically wash out the past error which he made?—A. I have already recommended that such a change be effected.

Q. As I understand the draft legislation that is now submitted in this instance it is still subject to review by the board and also by the treasury board, and either one of these boards giving an unfavourable decision can prevent this young man from obtaining his gratuity during the period which culminated in his dishonourable discharge. My suggestion is once a man re-enlists and by his re-enlistment and his secondary service fully qualifies in every respect why should we not go the full way and simply say that the man has reinstated himself and is fully entitled to the benefits?

Mr. COCKERAM: I think that was carried out after the last war as to those cases. They were reviewed. Where men had re-enlisted and were discharged honourably at the end of efficient and honest service they did get reinstatement. The old crimes were washed out.

Mr. CLEAVER: I think so, and without any reference to the board or anything else.

Mr. BROOKS: Mr. Chairman, I was not here at the last meeting, but it seems to me there is another principle involved there. A man is court-martialled and dismissed from the service. That is considered the punishment to be inflicted on him for his misdemeanor. Under this Act there is another punishment involved and that is his gratuity is taken away from him. It seems to me that he was court-martialled and that was considered at that time the punishment to which he was entitled, but this involves the further punishment that he must have his gratuity taken away from him. It does not seem to me to be British justice that a man should receive two punishments for one offence. I think that is the principle. I do not know whether it was discussed or not.

The CHAIRMAN: We are getting into a general discussion of the matter and are departing really from the decision of the committee that we would hear the evidence on this question. Perhaps we can then make a very quick decision in regard to the matter from what we have heard, but we have these gentlemen here representing the services. They may be able to give some evidence on it. The committee may want to ask them some questions. If we let Brigadier Topp finish his statement on the matter perhaps we can make a very quick decision on the point raised.

By Mr. Pearkes:

Q. I have a question to ask Brigadier Topp which I think might be pertinent. Can he give us any idea of the time lag that there is between the time that the man is dishonourably discharged and the time that the board has had an opportunity to come to a decision after reviewing? It seems to me there are going to be many thousands of these cases coming up before Brigadier Topp's board and it is going to be a tremendous task for him to give a considered review of each one of these cases. When a man is discharged he needs financial assistance during the first few months. That is the critical time for him to get re-established. One wonders whether in the case of purely military misdemeanors it is worthwhile referring to the board at all—

Some Hon. MEMBERS: Hear, hear.

By Mr. Pearkes:

Q.—rather than just making a decision that a man who has been dishonourably discharged for a military misdemeanour will not forfeit his gratuities, and then there is no need to refer to the board.—A. There is no time lag at all really in deciding cases except these with which the board has entertained doubts as to what ought to be done. So far there have been referred to the board just about four thousand cases in the last six months. We usually dispose of a case referred to us in a matter of two or three days unless it falls into the class I speak of where through lack of authority, or something of that sort, we cannot give any decision, and we have waited until we could get some guidance on that point before doing anything.

The type of thing I want to bring before you is this. This soldier was convicted by court-martial overseas of wilfully injuring himself with intent thereby to render himself unfit for service in that by discharging a rifle he injured himself through the left foot. He was found guilty and sentenced to be discharged with ignominy and to be imprisoned with hard labour for two years. Side by side with that case which is a dishonourable discharge I have another case of a soldier who did exactly the same thing in Canada though the injury in this case was that he shot himself through the shoulder. The adjutant general of the army ordered trial by court-martial but the soldier's physical condition was such that he was pronounced medically unfit to be tried and he

was discharged from the service by reason of his medical unfitness, and quite properly so, so far as his physical condition was concerned, but it seemed to the board inconsistent to say that the one soldier who was tried by court-martial, convicted and dishonourably discharged should lose his gratuity and the one who was medically discharged, not tried for the same offence, should be paid his gratuity. It would not have been before us at all if the service itself had not been of the same view, but when this file of the man with service at home comes before us we cannot do anything with it except say "Entitled to gratuity". The board entertained some doubt as to whether that sort of thing ought to be done.

By Mr. Brooks:

Q. Was there a court-martial in the second case?—A. No.

By the Chairman:

Q. As to that second case of the man in Canada his gratuity has not been paid to him?—A. It has not been paid, no.

Q. And Mr. Brooks asked whether he was found guilty of a self-inflicted wound by court-martial, the Canadian man?—A. He was not even tried by court-martial because he was medically unfit.

Q. How can you say he was guilty of a self-inflicted wound if he was never even tried?—A. There was a court of inquiry which investigated the circumstances and found that he was responsible for inflicting the wound.

Q. But at a court of inquiry the soldier has no right to defend himself?—A. That is quite so.

Q. And his gratuity is held up?—A. It is at the present time, yes. He is entitled; there is no question about that.

Mr. CRUICKSHANK: Throw him in with Laval.

The WITNESS: But the board advised the minister that the subject should be brought to attention before payment is made; that is all.

Hon. Mr. MACKENZIE: As I have to go may I say one word. Speaking personally, and not as a member of the government, I agree very strongly with what Colonel Brooks has said, but the committee must be faced with what the last parliament did under section 11 and section 12. I remember now this bill was brought down on the second last day of the session, very late in the session, and probably we did not give it the consideration we should have given it. You find that section 11 deals with officers who have been guilty of misconduct and section 12 with seamen, soldiers or airmen. So that any action the committee may want to take would be by way of altering what was done by parliament last year. I want to bring that to your attention.

By Mr. Sinclair:

Q. May I ask one question? When General Pearkes spoke about all military offences I judged from your remarks you were going to separate military offences such as desertion, malingering, wounding and treason from what might be called minor military offences. Is that the intent in making separate rulings in cases such as low flying, which after all is a military offence, from, let us say, the offence of deliberately wounding?—A. That was the intention, yes.

Q. Have you at any time drawn up what sections of the Military Act or Air Force Act you would consider as not warranting separation from gratuity and what the military offences were which would warrant a man not having his gratuity? Have you any code to guide yourselves when you make these rulings? What sections of the Army Act or Air Force Act do you regard as being offences which would not justify a man being given his gratuity? Obviously desertion

and treason.—A. The circumstances of these cases vary so widely that it is extremely difficult to answer that question intelligently. I do think though that where the offence is a purely service offence, that is, a breach of service regulations as distinguished from vicious or criminal conduct, that a good case can be made for payment of gratuity.

Here is one type of thing: one soldier was convicted of desertion in the field and sentenced to four years' penal servitude and discharged for misconduct. Psychiatrists who examined him at the time set poor home background, emotional and quick temper as a cause; always nervous in action, and finally deserted. The diagnosis was psychopathic personality, he was graded S-5. The "S" in the grading stands for "stability." Now, then, there are literally hundreds and hundreds of precisely similar cases of chaps with service here in Canada sometimes for a few months and sometimes for a longer period with a great long history of absence without leave, sometimes criminal offences. In the case I am thinking of there were thirty-two convictions under the Army Act, and I think ninety per cent of the service is non-qualifying in any case. They are found to be constitutionally psychopaths, graded S-5, and discharged on medical grounds. The paying authorities have sent these cases along to the board with an expression of doubt as to what should be done, and all that I can say, sir, is that the board shares the doubt in these cases. We feel that if the psychopath who has gone overseas, who is unfortunate enough to be court-martialled and discharged thereby, is going to lose his gratuity, surely the same man with much less service should also lose his. In other words, it seems to boil down to this, that if the War Service Grants Act is a rehabilitation measure it ought to be paid to anybody without any limitation at all; and if it is going to be limited in respect of misconduct then those who are guilty of misconduct logically should lose their grant. They should not, in other words, get a gratuity simply because some administrative officer out in Winnipeg or in Halifax decided to authorize the discharge: service no longer required, or something of that sort, rather than misconduct. There is no uniformity at all in the term discharge on those cases.

Mr. BROOKS: On that point, is it not true that the man loses his gratuity for the length of time he has undergone a penalty, say 28 days' detention or 10 days' detention, and during the period in which he has served that detention he has already lost a part of his gratuity on that account?

The WITNESS: It is perfectly true, Colonel Brooks; they forfeit all unpaid time. That is what I suggest, that if misconduct is to be retained as a limiting factor in the statute then the chap who was guilty of misconduct should lose his gratuity; otherwise, nobody should.

Mr. McKAY: I think we should have an expression of opinion here. I have heard considerable talk to the effect that a dishonourable discharge is a sufficient penalty without depriving the chaps of their gratuity and other benefits that they normally would require for rehabilitation purposes. I am not so sure that it would carry the committee. There has been that expression of opinion.

The CHAIRMAN: My own feeling on this matter, subject to what the committee desires to do, is that this is quite an important decision; and I think, having heard Brigadier Topp outline the matter in a general way, we might have an expression of opinion from the navy and the air force who are here. We should hear what they have to say before we actually make a decision.

Mr. SINCLAIR: There is one other type of loss of gratuity in the case of men who are presently being discharged; I refer to air force men in the release centres. There has been a slackening of discipline in all types of officers and airmen because they know they are going out of the service. They break rules in public or in camp; and I understand instructions have gone forward from air force

headquarters to the command and are read out by the commanding officers to the effect that these breaches of discipline may result in loss of part or all of the gratuity. These men are not criminals, because the offences are not serious enough. There is no trial in these cases because they cost too much money. Now, is there any backing up as regards these letters, or have cases occurred where men are getting ordinary honourable discharge but have committed minor breaches during the period when they are passing through these release centres? Are there cases where these letters of instruction say that they will be penalized and where these instructions have been carried out?

The WITNESS: It is a very common thing to see cases where there is a long list of minor offences, such as being improperly dressed and failing to attend parade, and all that kind of thing, where they pay the gratuity without question.

Mr. SINCLAIR: That is an important period when they are in the release centre awaiting discharge. For that period instructions were issued in the air force that these men be advised that for breaches of discipline such conduct could be reported to the proper authorities and the gratuity affected. Now, such instructions are issued in the air force, and I want to know whether there are any cases of men having had their gratuity stopped in whole or in part because of some minor breach of regulations during that last period in the release centre?

The WITNESS: I think someone from the air force should answer that.

Mr. SINCLAIR: I am sure the army has the same regulations.

The CHAIRMAN: That is what I had in mind in calling these representatives of the services; and with the consent of the committee I would like to call the representative of the navy, who is Lieutenant Commander J. A. Sutherland.

Mr. GUNN: May I at this stage explain the position of the Department of Veterans Affairs with relation to the Department of National Defence. I think you are all aware that these three departments are in fact paying agents for the Department of Veterans Affairs by reason of the fact that they have the records and by arrangement with the Department of Veterans Affairs on the one hand and the three service departments on the other hand, a plan has been developed whereby the services suggest a course of policy and so on; and this is the particular submission to council that was tabled by the deputy minister the day before yesterday and received the greatest consideration of these three services, and it is now being put forward, as I mentioned before, by way of amendment to the bill that is now receiving your study.

Mr. WHITE: May I ask a question with regard to the procedure before your board? In reply to a question by General Pearkes you said that there was no lag in the time when the file comes before your board. Does that mean that the file was reviewed by one member of the board who makes a recommendation which was concurred in by the board or was the file reviewed by the entire board? Exactly how does the board review the cases?

The WITNESS: The files, in the first instance, are submitted to the member of the board representing the service through which that file emanated. He reviews the file personally and then writes his opinion as to what ought to be done, and that file is circulated to the other members of the board. In a good many of the cases the facts are clear and we find ourselves pretty much in agreement. We all put some comment on the file before a decision is made at all. In cases where any one of us is uncertain about some facts, particularly those where a decision is an adverse one, we all get together and discuss the case in detail before arriving at a conclusion. We frequently have occasion to send it back to the service in the hope that some further detail can be secured from the local station at which the individual served. In other words, we try to go into

the case in the most thorough manner possible. We have, in addition to that, made a point of notifying the medical senior people in the three services to come and sit in with us and look at some of these files and assist us by advising as to what their procedure is, and so on.

Mr. WRIGHT: Is the man whose file is being reviewed notified that his file is being reviewed and asked to present his side of the picture?

The WITNESS: I believe it is the practice of the service concerned to write to the member stating that because of the circumstances concerning his discharge it has been necessary to refer the case to the board of review. Whether that is done in every case or not I am not prepared to say that it is.

The CHAIRMAN: In regard to the naval service, I have here a form letter that is sent out, which reads as follows:—

I am directed to acknowledge receipt of your application for War Service Gratuity. In view of the circumstances surrounding your discharge, your application will be placed before the Board of Review to determine your eligibility and some delay may thereby be experienced. You will be advised of the outcome in due course.

Mr. MUTCH: Where is the authority for such a form?

The CHAIRMAN: I take it that it is in the regulations.

Mr. MUTCH: It is not in the Act.

The CHAIRMAN: That is correct; it is in the regulations, is it not?

Mr. GUNN: It is in the regulations.

Mr. PEARKES: I am sure that Brigadier Topp did not quite understand my question when he replied that there was no time lag. I was not referring to the time in the war. I am sure they work as quickly as possible; when there are some 4,000 cases to be reviewed and when it takes some three days to go over one case, I would like to know whether the cases which are being reviewed now are cases of men who have been discharged within the last month or so, or whether they are cases of men who have been discharged say two years ago.

The CHAIRMAN: As I understand the evidence, where payment of gratuity is being held up for men who have a clear discharge, they are being so held until you know what the decision is going to be about that; that is, where the man has a clear discharge and the case was referred to you by the service authorities. In those cases you are withholding your decision at the present moment; is that not correct?

Brigadier TOPP: I think that is a fair statement.

Mr. PEARKES: I understand that, but how long does it take for this question to be dealt with after a man has been discharged; are they dealing with cases of discharges now, or are they still working on cases of discharges perhaps two years ago?

Brigadier TOPP: That can best be answered, sir, by stating that this legislation became effective only on the first of January 1945. Now, prior to that there were a considerable number—200,000 discharges from the army alone; and the bulk of those cases dealt with by my board so far are those of people discharged years ago.

Mr. PEARKES: Yes, that is the point I wish to make—the very great time lag between the date of discharge, the time the man needs his rehabilitation benefits, and the time he actually gets it.

Some hon. MEMBERS: Hear, hear.

The CHAIRMAN: Before I call Lieutenant Commander Sutherland, we will not actually be through with questioning Brigadier Topp, but in the meantime I would like to thank him for appearing before us and outlining the situation to us. I would now call Lieutenant Commander Sutherland.

Mr. CRUICKSHANK: We will have a chance to have Brigadier Topp here again? I am not satisfied with his answer to Mr. Parkes yet.

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: It was a straight question; how long does it take? Surely we can get that.

The CHAIRMAN: I have already stated that we are not dismissing Brigadier Topp, but I think we can get more precise information perhaps from the services; in the event that we do not get it from them we reserve the right to have Brigadier Topp come back. I would like to have the services given a chance of telling us what they know, because they are the ones who started it.

Mr. CRUICKSHANK: Mr. Chairman, if I might comment again; we have just been dealing with the services. Brigadier Topp surely can tell us what the time lag is now concerning army cases and then we can give all these minor forces all the time they want on this. How long does it take?

The CHAIRMAN: Brigadier Topp is chairman of the Appeal Board that deals with army, navy and air force.

Mr. CRUICKSHANK: Well, he should be able to answer.

Mr. MUTCH: Nobody else can.

Mr. SINCLAIR: Give us the cases of the veterans' applications you are now handling, this week. That is what we want to know.

The CHAIRMAN: You heard the question, Brigadier Topp; they would like to know date of the applications, or the dates of discharge of the people you are dealing with at the present time. When were the people discharged whom you are dealing with to-day in regard to gratuity matters? Can you tell us that?

Brigadier TOPP: I signed several decisions yesterday in cases of people who have been discharged within the last six weeks. At the same time I signed a decision yesterday on the case of a discharge as long ago as 1940. The application for war service gratuity must be made by the individual before any decision can be given. Following the effective date of the Act wide publicity was given to this registration feature, both in the press and in pamphlet form and through personnel counsellors. There is no doubt that everything that possibly could be done was done to bring this legislation to the attention of those entitled to benefits by it; and it was up to the individuals, particularly those individuals General Parkes speaks about who were discharged years past, to do something about it. They had to make application. In other words, a great many of them, thousands and thousands of them, gentlemen, have not made any application as yet. When these applications are made to the services they are very promptly dealt with, just as promptly as they can be dealt with having regard to checking up on the service and so forth. I think from what I know of similar legislation elsewhere that we here in Canada are further ahead in the matter of payments of gratuity than anybody else in existence. The United Kingdom people have not done anything very much so far.

Mr. QUELCH: What time does it take from the time you receive an application until the time you render a decision?

Brigadier TOPP: In the case where the discharge is for misconduct and the case is referred to us, it might be a matter of two weeks, Mr. Quelch. I believe

that the actual payment in straightforward cases, the first cheque, goes out about eight weeks from the date of receipt of the application. Certainly all the services are doing a first class job in getting payments out, from what I have seen.

Mr. PEARKES: I do not want Brigadier Topp to think that I am criticizing his Board at all; but if it takes from two to eight weeks to get decisions and there are hundred of thousands of cases to be dealt with, it is utterly impossible for that Board to complete the job; and I think it would be well worth our while to bring down certain well-defined rules and principles to be followed rather than having matters of this kind referred to his Board at all.

Mr. McKAY: Could someone tell us why these payments of benefits were not made at the time of discharge?

The CHAIRMAN: If you permit Lieutenant Commander Sutherland to give evidence we may be able to get that.

Mr. McKAY: We could get it from the Brigadier.

Mr. MUTCH: There were over 200,000 discharged prior to this coming into force, and there were 20,000 discharged prior to 1940.

Lieutenant Commander J. A. SUTHERLAND, called.

By the Chairman:

Q. Lieutenant Commander Sutherland, would you explain to the committee what your position is in the navy; and if you have any connection with this Appeal Board what it is?—A. My position is that of director of rehabilitation for the navy, and as such I am naturally interested in all matters affecting the rehabilitation of naval personnel. I am not intimately concerned with the actual handling of the applications for war service gratuities, but I know the procedure, and I perhaps might outline this to your committee, if that is agreeable. I think perhaps I might say at the outset that some misunderstanding may have arisen out of the discussion as to the way in which applications originated. When a man is discharged it is part of the discharge routine that he complete an application for war service gratuity; that application is forwarded with his other service documents directly to naval service headquarters. There it is dealt with by the authorities responsible for computing the service and extending the money grant. In our cases an acknowledgement is made. Now, Mr. Mutch has asked what the regulations were authorizing the acknowledgment. I think perhaps the only reason that an acknowledgment is made is to avoid a tremendous volume of inquiries which would be sent to the service if some interim acknowledgment was not made. That is, a man a week after discharge might very easily write naval service headquarters and say, "I have made my application. When am I going to receive my gratuity? Have you received my application?" So a routine acknowledgment is made in the case of all applications which are not referred to the Board, and the acknowledgment which the chairman has read is sent to all applicants whose cases are being referred to the Board. As far as the case of men discharged prior to the date when the completion of the application form became a part of discharge procedure is concerned, as Brigadier Topp has said, a wide-spread campaign was undertaken using the newspapers and radio facilities to inform these people that they are entitled to a gratuity and should make application. In addition, the service made every effort to communicate by letter with all men discharged from the services; and I am informed by the responsible authorities in the navy that although all of these back cases have not been cleaned up, the number which have not been cleaned up is negligible. I think perhaps I should also explain that in the navy with respect to rehabilitation legislation some difficulty has been experienced in determining eligibility because of the reasons for discharge assigned by the

service, particularly those in effect in the earlier years of the war, which were generally designed for service purposes and were not designed for the purpose of determining eligibility for rehabilitation benefits. For that reason, in cases where discharge occurred early in the war, very often the commanding officer had some discretionary power—I said the commanding officer; I should say, approving authority—had some discretionary power as to the reason for discharge which he would assign. In the navy that was particularly true when a man was guilty of misconduct, either civil misconduct or service misconduct of a serious nature, which was resulting in his discharge; because the commanding officer could elect either to discharge that man for “services no longer required” or he might discharge him, “unsuitable”. “Service no longer required” both in the Canadian Navy and the Royal Navy applies in the case of dishonourable discharge, although it is not specifically laid down as dishonourable discharge and the words “dishonourable discharge” do not appear in our regulations. It is only to be given in cases of serious service or civil misconduct, or in consequence of conviction by a civil authority. On the other hand “unsuitable” at the outset of the war might be awarded either for minor misconduct or misconduct not serious enough to warrant discharge “service no longer required”; or it might be awarded for incompetence or malingering, general unsuitability, inability to pass examinations and so on. So that is the position we were in early in the war, that our reasons for discharge have been designed for service purposes, and not even the circumstances under which they were awarded were particularly specific. These reasons for discharge have been recently amended, and as far as possible have been brought into line so that they will be useful in determining eligibility for rehabilitation benefits. I have here a copy of the naval regulations respecting discharge which I may table and then you may study it in the record if you so desire.

The CHAIRMAN: I wonder how many pages of the record it would take, commander?

The WITNESS: I think about nine pages, sir.

The CHAIRMAN: Anything that is going into the record, of course, is printed, gentlemen. I just wondered if, in the case of a document of this nature, it would not be sufficient to have it available for the members of the committee without having it printed. We do not want to encumber the record with something that people generally would not want to read. What is the feeling of the committee on that point? You can see the nature of this. If it is tabled and probably a dozen copies made available for any member of the committee who wants to look at it, or perhaps a copy made available to each member of the committee, it might save printing. What is the wish of the committee as to that?

Mr. MUTCH: If they are available, they could give us each a copy.

The CHAIRMAN: You could make available sixty copies of these, could you?

The WITNESS: There are no copies of this particular printing available, but I could arrange to have other copies made.

Mr. SINCLAIR: We might as well have it printed in the record, then.

Mr. MUTCH: Yes, it all comes out of the same sock.

(See Appendix B)

The CHAIRMAN: Very well, then. Would you just proceed. You are filing this for the record.

The WITNESS: This is a copy, yes. With respect to the referral of cases to the board of review, certain cases are automatically referred to the board of review. Other cases are referred where a scrutiny of the file reveals that misconduct may have been the reason for discharge. I think it might be of interest to the committee to know that of the twenty-five thousand applications for

gratuities received by the navy, less than eight hundred have been referred to the board of review. The cases which are automatically referred to the board of review are, for officers, where an officer is sentenced by a court-martial to dismissal with disgrace from the naval service or dismissal from the naval service, or is sentenced by a disciplinary court to dismissal from the naval service. The cases where the file may be referred to the board of review, if a scrutiny reveals that misconduct may have been the reason for discharge, are generally those where an officer has been discharged "unsuitable for naval service"; and the reasons under which such a discharge would be awarded would include intemperance, irregular habits of life and misconduct. There are a number of reasons given in the regulations which you can consult in the record, if you so desire.

By Mr. Cleaver:

Q. Of the eight hundred that have been referred to the board of review, how many has the board of review actually dealt with?—A. I am afraid I could not give you the answer to that. Perhaps Brigadier Topp could.

Q. If you have not the answer available, I will not press it.

Brigadier TOPP: I hope to give you the specific information in a moment, but I can say generally that about, roughly, forty per cent of the applications that are referred to us are granted.

Mr. QUELCH: Would you repeat that, General Topp?

Brigadier TOPP: This report I have before me shows that from the navy we have had 730 cases, of which 255 were ruled "entitled" and 475 "not entitled".

Mr. CLEAVER: So then, Brigadier Topp, you have actually dealt, or the board has actually dealt with all the cases which have been referred to them by the navy?

Mr. SINCLAIR: Not quite.

Mr. MUTCH: All but sixty.

Brigadier TOPP: Not all of them, but practically all of them.

Mr. CLEAVER: Yes.

Brigadier TOPP: There are a few where we feel that the man should get his gratuity or something of that sort, which is held up; but nearly all the naval cases have been dealt with.

Mr. CLEAVER: I think that answers the question as to the time lag, Mr. Chairman.

The CHAIRMAN: Would you continue, please.

The WITNESS: Another circumstance under which an officer's file may be referred to the board of review is in the case of an officer discharged "resignation accepted". At one time the service sometimes discharged a man "resignation accepted" where he might otherwise have been tried by a disciplinary court or court-martial, but where the conditions of service would make it extremely difficult to assemble either a disciplinary court or a court-martial, and where the officer elected to request his discharge.

By Mr. Mutch:

Q. May I ask a question just there? What is the authority to look behind the terms of the actual discharge? I mean, it is laid down in the legislation that certain specific methods of discharge do carry a penalty. If a man resigns from the service, by what authority does any one go behind that resignation to find out why he resigned, if his resignation was accepted? I am not quarrelling with it, but I just want to know what the legislation is?—A. The legislation is section 11, dealing with discharge of officers, which provides that no officer or warrant officer is to be entitled to any benefits under this Act if "he is deprived of his commission or warrant by reason of misconduct."

Q. That is clear in that case. A. In the case of ratings in the navy, no seaman is to be eligible under the Act if he has been discharged for misconduct.

Q. That is clear, if he is discharged for misconduct. But there are some cases where, apparently, he has not been clearly discharged for misconduct and yet some one looks behind that discharge and refers it to the board for decision. I am not quarrelling with it at the moment, but I am trying to get at the authority for doing that. In one case I think you have made it clear. A. I think it is one of the difficulties that arise out of the fact that our reasons for discharge were designed originally for service purposes; whereas I believe the army and the air force have categories of discharge known as misconduct, the naval service does not have any category of discharge for misconduct. The other reasons are stated in the regulations, and we have such reasons as "dismissed with disgrace", "services no longer required".

By Mr. Winters:

Q. It would appear to be a question as to who screens them to determine which are to go before the board. A. That is correct.

The CHAIRMAN: What is that question, please?

Mr. WINTERS: It would appear to me to be a question as to who screens these discharges to determine which will go before the board.

By the Chairman:

Q. Who decides the question of whether a particular application will go before the board? That is a pretty important decision. A. We are only dealing with those cases that are not automatically referred to the board. The decision as to whether the other cases will be referred is made by the officers concerned with computing service and computing the actual gratuity payable.

Mr. MUTCH: Then I again ask, by what authority? What is their authority? Who authorizes them to look behind the terms of the discharge, whatever it is, and say, "This is a marginal case and should go to the board"?

The CHAIRMAN: Perhaps Mr. Gunn could help us. Can you give the committee the benefit of your knowledge? You are the solicitor.

Mr. GUNN: No, Mr. Chairman, I am afraid that is something that I cannot give you any information on.

Mr. MUTCH: I do not think there is any.

The CHAIRMAN: I understand there is a regulation which did give the right to refer these cases where the discharge was O.K'd and where the matter was referred to the board. There must have been some authority for that.

Mr. GUNN: I understand Mr. Mutch's question to be, at what point in the administration shall somebody decide that the whole record ought to be looked at?

The CHAIRMAN: No. His question as I understand it—and I am sure the rest of the committee are interested in this—had reference to where a man has a clear conduct sheet, a clear discharge sheet. There are several of those whose gratuities have been held up and referred to the board of review. As I understand it, the committee is interested in finding out under what authority those gratuities have been held up, where they have got a discharge, as Brigadier Topp has mentioned, on the ground, for example, of this alleged self-inflicted wound case, where he was never found guilty of anything and yet his gratuity was held up, although his discharge sheet is clear. Mr. Mutch wants to know on what authority that ever went to the board of review at all. That is the question, is it not?

Mr. MUTCH: That typifies the question, although it is broader than that.

Brigadier TOPP: Regulation 15.

The CHAIRMAN: Could we have that on the record so that it will be cleared up?

Mr. CROLL: What page is regulation 15?

Mr. GUNN: Page 554 of the red reference manual.

The CHAIRMAN: Do you mind reading that into the record so that it will be cleared up.

Mr. GUNN: Section 15 (1) reads as follows:

"The question as to whether or not a member is, by virtue of Sections 11 or 12, as the case may be, of the Act, disentitled to any benefits thereunder, shall be decided in the first instance by the appropriate authorities of the force to which his application is required to be made. In the event of such authorities deciding that the member is, by virtue of either of the said Sections, not entitled to any benefits under the Act, and in any other case in which such authorities deem fit, the application with all relevant files and documents will be forthwith referred to the Board of Review constituted hereunder."

Mr. MUTCH: That explains that.

The CHAIRMAN: Yes, that explains it.

Mr. MUTCH: But we will defer discussion on it.

The CHAIRMAN: We have the facts now. Will you continue, please.

By Mr. Green:

Q. May I ask the Lieutenant-Commander one question. Are there any cases in which the naval authorities decide that a man is not entitled to his benefits, and then do not refer that case to the board of review?—A. No, there are no cases where that occurs. In all cases where the naval service feels that the man may not be entitled to the benefits, the case is referred to the board of review.

With respect to ratings, the reasons under which the case is automatically referred to the board are as follows: "dismissal" where the dismissal has been awarded by sentence of court-martial or disciplinary court or summarily by the captain; "dismissal with disgrace," where the sentence has been awarded by sentence of a court-martial or summarily by the captain; "services no longer required." The circumstances under which this latter discharge is awarded are in cases of men whose records show them to have been guilty of gross or long-continued misconduct, a series where the punishment of dismissal has not been imposed, and of men discharged as a consequential penalty imposed as a result of conviction by a civil power. Then cases of absentees not claimed for further naval service, men who have been marked "run" for a period of at least thirty days.

By the Chairman:

Q. What is that term?—A. Marked "run," which is a naval technical term meaning that the man is absent without leave, where it is not desired to claim the man for naval service or where his engagement has expired. That was a very convenient discharge in the case of men who had deserted and perhaps had been arrested on some criminal charge and were serving a term in the penitentiary. The term might run to two or three years, and it was not likely that the man would be of any further use to the service, so he was discharged "absentee not claimed for further naval service."

Other cases are those of fraudulent entry where, except for the reasons that a man was under age or over age or had been discharged "services completed," it was found after entry that a man had made false statements in the documents signed by him on engaging for service in the naval forces.

By Mr. Mutch:

Q. No matter if that false statement had been made four years before?—
A. That is correct, but it would have to be the reason for discharge, of course. The man would not automatically be discharged for having made a false statement. These then are the cases which are automatically referred to the board of review. The cases which are referred to the board of review where scrutiny of the file makes it appear misconduct may have been the reason for discharge are where a man has been discharged "unsuitable." Those are the great bulk of cases. The present regulations regarding discharge unsuitable are that it be awarded when a man is unsuitable for further service through continued lack of application or interest or through continued misconduct of a minor nature. Then, too, in some cases the file might be referred to the board of review when the man is discharged "service completed" although the present regulations are fairly specific on that point. As they stand at the present time that reason for discharge is to be used when men have become unfit for the branch in which entered due to some physical defect not sufficiently serious to warrant the discharge "medically unfit," and who are not transferred to another branch for which they are physically fit, or men ineligible to remain in the branch in which they entered through failure to qualify in a course of instruction and who are not transferred to another branch. There are six other sets of circumstances under which men may be discharged "service completed," but I do not feel that the committee would be interested in those circumstances. It is only in unusual circumstances that the case of a man discharged "service completed" is referred to the board of review.

Q. What kind of circumstances?—A. Only where scrutiny of the file reveals misconduct may have been a contributing factor although the reason for discharge signed is "service completed".

By Mr. Isnor:

Q. Do you ever dismiss an officer under that heading, "service no longer required"?—A. That is a term used only for ratings.

Q. Why is that?—A. I think it can only be explained as long custom of the service. It is a legacy from the Royal Navy.

By Mr. Cleaver:

Q. Would you amplify your practice in regard to the reviewing of files of officers whose resignations have been accepted? You said as to some of those they went on to the board of review?

By Mr. Sinclair:

Q. I wonder if I could expand Mr. Cleaver's question. I think the committee would be interested in the constitution of your own committee which screens and has sent on these eight hundred, as to what type of officers are on it, whether operational officers or administrative officers, how they handle cases, whether they look at the files individually or whether they have a committee of three or four officers which passes on whether these cases should go on to the board of review? I think we are all interested in that. That could include Mr. Cleaver's question as to how you deal with officers' cases as well as ratings' cases. A. I am not completely familiar with the details of how the cases are screened. I would prefer to have some time to get my facts before answering that question, if that is agreeable.

By Mr. Cleaver:

Q. I understood you to tell us that as to some instances where the resignations of officers were accepted, and they were discharged on that ground "resig-

nation accepted", that some of those cases do go to the board of review?—A. Yes, that is correct. I mentioned that the reasons for discharge have been revised. The reasons that were in existence earlier in the war included one for discharge of officers, "resignation accepted to avoid court-martial or disciplinary court". That was the specific reason for discharge. These regulations have been revised, and the present regulations are "Resignation accepted" which might, of course, include the case of the officer discharged to avoid court-martial or disciplinary court.

By Mr. Harris (Grey-Bruce):

Q. The fact is if you follow section 11 you do, in fact, look at the file of every officer who has resigned?—A. That is correct.

By the Chairman:

Q. You can answer Mr. Sinclair's question to this extent. There must be a final authority in your branch which finally decides whether a case should go to the board of review or not. Can you tell us what authority that is?—A. I believe the authority rests with the director of naval pay and accounting as the organization which handles all applications for war service gratuities is under his immediate direction although he, of course, is responsible to the chief of naval personnel

By Mr. Sinclair:

Q. That is not my point. A. What you are interested in is the actual officers who screen the cases.

Q. Who handle the cases in the navy. We know who handle them at the board of review level, but who handle the ratings and officers' cases, both the ones that are mandatory and those which you investigate, and what is the constitution of that body? How are they handled? Does an individual officer pass on the file and decide or is it decided by a committee? I think all of us are interested in that because it is through that review that these cases do get to the board of review.—A. That is the information I have not got at the moment which I would prefer to get.

By Mr. Cruickshank:

Q. May I ask a question? This particular case happened at Halifax, but I do not mean the riots. This man was sentenced in the navy and the department saw an injustice had been done and it was revoked. Will his file automatically go to that board?—A. I think it would automatically go to the board. It would be in this group of cases which are referred if misconduct seems to have been a contributing factor.

MR. WINTERS: May I make an interjection in connection with Mr. Sinclair's statement? In accordance with section 15 the matter of disentitlement would appear to rest in the first instance with the appropriate authorities. In the first place we should have a definition of who the appropriate authorities are. In the second instance I think the matter of laying down yardsticks as to what constitutes discharge is extremely important. The navy seems to have that pretty well in hand from what you have said here. I am wondering whether the other two services have it in hand to the same extent because I think the yardsticks should be fair across the board. There are undoubtedly extenuating circumstances in every case, and I do not think you can make any hard and fast rules. I think the rules should be sufficiently broad to embrace the major classifications within a group, and they should be made known to all those so-called appropriate authorities.

THE CHAIRMAN: The lieutenant commander has completed his remarks, and if you have no other questions...

By Mr. Fulton:

Q. I have a question. At the outset of your remarks you said that at the time of discharge of any personnel his application for war service gratuity is made as a matter of course. I quite understand that in the case of the routine discharge but I am not quite clear as to whether that statement is of general application. For instance, there is the case of a dishonourable discharge perhaps after a man has completed a sentence of penal servitude. I can see that his case would not come up like the normal routine cases, and I should like to be assured that your statement that the application is made as a matter of course does cover those unusual cases?—A. Yes. The procedure is the same in all cases. Regardless of the reason for discharge the man makes his application for gratuity and it is forwarded to headquarters, including those cases where a man is discharged for penal servitude. It may be necessary for the discharging authorities to visit the penitentiary to complete the discharge routine at that point, but the application is completed during discharge procedure.

Mr. CRUICKSHANK: Following up the question I asked before if a man's conviction is cancelled because an injustice has been done I cannot see why it should go to the board at all providing that is the only thing on his sheet for which he has been sentenced. If that is wiped out surely he starts with a clean sheet, and why should it go to the board?

The CHAIRMAN: That is the practice. All the witness is doing is giving the practice and it will be for this committee to make recommendations in the matter. The lieutenant commander will get the information asked for and appear before the committee at our next meeting.

By Mr. Quelch:

Q. There is one question I should like to ask the lieutenant commander. He stated that the filing of the application has been routine since the passing of the legislation regarding gratuities. How long a space of time elapsed before that was so, a month or more?—A. You mean following the passage of the legislation?

Q. Yes.—A. I have not got the exact date. It was in advance of the date when payments commenced on the first of January. I believe it was October of last year. The Act was passed in August. It was as soon as machinery had been set up to receive applications.

Q. Were men who were discharged during that lapse of time notified they should make application?—A. They were notified by letter from the service to the address given on discharge.

By Mr. Isnor:

Q. There is one other question. In connection with the nearly eight thousand applications would it be fair to say that a great number of those applications are brought about due to the wording "services no longer required"?—A. Eight hundred.

Q. I mean eight hundred.—A. I believe that would be true. I think of the cases automatically referred it would certainly be true because that is the term that is generally awarded for misconduct.

Q. The term that causes you the most trouble?—A. Yes.

Q. I should say you should look into that.—A. Of course, it is awarded for a certain set of circumstances. It is the circumstances that cause the trouble rather than the term awarded.

Q. I think in every case brought to my attention it was on the ground they were not sure as to the crime committed and the wording of the discharge or dismissal stated "services no longer required". Then these men ask me to make inquiries as to why they were not entitled to the benefits because of that.—A. As

I said, I think that would be true particularly earlier in the war when the approving authority had the option of discharging a man either for "services no longer required" or "unsuitable". It was an option and it depended on the decision of the approving authority. In a great many cases where the discharge might now be some other category "service no longer required" was awarded.

The CHAIRMAN: Are there any other questions for Commander Sutherland? If not we will hear from Air Commodore MacKell of the air force. I understand that the army are not absolutely ready to make their submission.

Air Commodore D. E. MacKELL, Deputy Air Member for Personnel, called.

By the Chairman:

Q. Would you give us your connection with the air force and this appeal board and all about it?—A. I am deputy air member for personnel, and while I am not directly connected with the payment of war service gratuities it is under my branch and one of our responsibilities. The previous witness laid down the procedure as to how it is handled. It is common to all services and I do not think it is necessary for me to repeat it again. So far as the air force is concerned in 1944 we recognized there were bound to be divergences of opinion as to discharges for misconduct so we then put out a regulation that all discharges for misconduct other than by reason of court-martial must come into the headquarters for uniformity of treatment. The cases that Brigadier Topp has mentioned as cases that he had to refer back to the service are those discharges prior to that date. The same rule generally applies to discharges by reason of court-martial, cashiering in the serious cases. They come into the judge advocate general, the court-martial proceedings, as to the legality, and he in turn refers them to our division for quantum of punishment. so you will see that in each case we endeavour, as far as possible, to give uniformity of treatment. Then in order to cover cases that were discharged prior to 1944 we provided the chairman of the board of appeal with rules that we followed for discharges, and they are generally these:—

Other Ranks:

- (i) If an other rank has been convicted, either by civil or service authority, of such a serious crime or offence that his retention in the service is manifestly out of the question. Examples would be—a conviction entailing a long goal sentence; a conviction for disgraceful conduct of an indecent kind; and a conviction for a serious theft.
- (ii) If an other rank is so convicted of a substantial offence which is not in itself serious enough, taken alone, to warrant discharge, but which considered with his past record of continued, wilful, proven misconduct (as contrasted with offences arising out of mere inadaptability to service life) makes it expedient to discharge him for misconduct.
- (iii) In applying (ii), a reasonable period free of any civil or service convictions will be deemed to wipe out prior offences.

By Mr. Brooks:

Q. What do you consider a reasonable period?—A. Six to nine months; and we have a further modification, the longer the service the greater the caution to be exercised. Of course, conviction by the civil power prior to enlistment is not considered. The same thing applies to officers.

- (i) If an officer has been convicted, either by a civil or service authority, or he has confessed a crime or offence of so serious a nature that his retention in the service is manifestly undesirable.

- (ii) If an officer is so convicted of a substantial offence which is not in itself serious enough, taken alone, to warrant removal, but is substantial and the officer has such a past record of misconduct that it is considered that he be so removed.

There is a modification here, too:—

- (iii) An officer will not be recommended for permission to resign or retirement, if his case comes within (i) or (ii), above, but he will be recommended for removal.

We differ from the navy; we do not permit resignation when there is such a case or any circumstances of misconduct.

By Mr. Sinclair:

Q. Will you repeat that?—A. We differ from the navy in that we do not permit an officer to resign where there are any circumstances arising out of misconduct. We will remove him from the service for misconduct.

Mr. Mutch: Did I understand you to say that all officers are then, instead of being permitted to resign, court-martialled?

The WITNESS: Yes.

By Mr. Sinclair:

Q. That is a fundamental rule of the service. The previous witness brought up the point regarding officers of the navy who are permitted to resign their commissions, or resign without permission, that their files were reviewed. You have said that in the air force officers are not permitted to resign their commissions for misconduct. I know people who were in the air force who can think of cases where officers have been permitted to resign their commissions.—A. There may be exceptions to every general rule, but as a cardinal principle—

Q. My point in asking this is to inquire whether your board sends forward the files of these men who have been permitted to resign.—A. This would come up. Retirement prior to the revised uniformity treatment. In those cases, if there are any doubts in the mind of our officer who is dealing with the case, he will refer it to the board of appeal.

Q. That is my point. I am thinking of a case which is really a recent case. Mr. Winters brought up the point; it is important that there should be uniformity. We heard the navy say that in cases where officers were permitted to resign their commissions that those cases were sent forward to a court of review?—A. It is my understanding that the navy regulations provide that an officer can resign by reason of misconduct. In dealing with a large number of retirements or discharges there are bound to be exceptions to the general rule.

By Mr. Cleaver:

Q. Would you accept a man for re-enlistment who was previously an officer dishonourably discharged, if his discharge occurred for a very serious offence?—A. No.

Q. Could you see any objection to the suggestion I made to the committee a while ago that as to those cases where anyone had been dishonourably discharged and had subsequently re-enlisted and from then on had a good record—could you see any objections why the secondary enlistment and good conduct should not wipe out the previous misdemeanour?—A. Well, I would like to answer that yes and no. All our sympathy must go out to those lads who have misbehaved, we would like to get them as much as possible; on the other hand, we have a certain loyalty and a greater portion of our sympathy for

the large majority who have carried on and given faithful service. The question of discipline is a difficult one at the moment, and I very much fear that if we relax at all in this matter of forfeiting gratuities that those officers who are responsible for the maintenance of discipline—particularly overseas—are going to have a very difficult task. There is no royal road with regard to how you are going to control discipline. There are many factors you have to take into consideration: leadership, persuasion and punishment, there is the fear of punishment; and this entitlement to war service gratuities is one of the greatest deterrents we have at the moment as regards lack of discipline.

Q. Do you not concede the fact that having decided that the offence committed was not sufficiently serious to debar the man from the secondary enlistment—do you not then and there make the decision that if he made good he is fully reinstated in the service and he is entitled to a gratuity? A. I presume you refer to dismissals for low-flying offences?

Q. I am referring to dismissals for any offences sufficiently trivial that you are willing to ignore them and accept the man for re-enlistment? A. Dismissal, of course, is a very serious offence; a man could not be dismissed for a trivial offence.

Q. The very fact that you accept him for re-enlistment clearly indicates to me that you consider that the previous offence was not a serious one? A. I think I said that we would not re-enlist them if they were dismissed; but we have made exceptions, I grant you,—dismissal for deliberately unauthorized low flying.

Q. I suggest to you again that at that time you made your decision and you accepted the man for re-enlistment? A. I would say, yes, I would be inclined in that case.

Q. Having accepted him for re-enlistment, he turns in a good job, and he is ultimately honourably discharged with a good record; do you concede that the first incident is closed and that the man is entitled to his full gratuity? A. Yes.

By the Chairman:

Q. If you took them back after you once discharged them, that would not apply to many people? A. We took practically every one who applied, wished to come back, following that particular point, to the air force. There were not so many. I will give you the total discharges for misconduct from the 10th of September, 1939, until the 31st of August, 1945: 117 officers, 925 other ranks, 42 W.D.'s—that is women's division, other ranks, making a total of 1,084.

By Mr. Quelch:

Q. How many for low flying? A. I do not know. I would say as a rough guess, fifteen or twenty.

By Mr. Sinclair:

Q. Did you say fifteen to twenty?—A. Yes.

Q. Does not the Air Force list in routine orders every week one or two officers who are dismissed for low flying? I would expect to find three or four hundred in that category. Are you sure on that point, Commodore, with respect to the number discharged for low flying? A. I think that is right. Oh, I have it right here—for flying offences, 36.

Q. Is that 36 officers? A. Officers.

Q. How many N.C.O.'s? A. We do not dismiss N.C.O.'s; they are disciplined, they usually are given detention.

Q. That is what I understand, but the point comes up here about the deterrent effect of these war gratuities: What I was interested in is finding out what authority you had for using the possible loss of these benefits as a disciplinary measure. I think that we as a committee have a right to know more about that, and certainly the Legion are interested in it. I quite agree that perhaps the time has come when we should no longer accept as a sufficient reason for depriving a man of his grant the ground of misconduct, and that consideration should be given to the period of service. That might have had its place when the war was on. A. I grant you that the major thing has gone by now and these flying offences may not be considered so seriously; but it does have a bearing, particularly in the occupational forces where we may have quite a bit of it. I was not thinking of dismissals for low flying when I was talking about that.

By Mr. Mutch:

Q. Would the committee be correct in assuming that in the present day service you do regard payment of gratuities as being connected with meritorious service? A. Definitely.

Q. Rather than something which the parliament of Canada has provided veterans to help in their re-establishment?—A. In our thinking, as it always has been, we consider that the War Service Grants Act divides into two parts: gratuities—and then when I use that term “our thinking” I am not speaking for the department, I am speaking for my own division—that we consider that the War Service Grants Act divides into two parts; service gratuities, which are payments for good and faithful service; and the other is the re-establishment measure. I agree that it is a difficult thing to divorce the two, that they tie into each other; nevertheless that always colours that picture.

Q. You realize that if the veteran has no gratuity he receives no re-establishment credit; that you cannot divorce them?—A. Yes.

By Mr. Cruickshank:

Q. I understood the Commodore to say that the threat of the loss of the gratuity was used as a means of maintaining discipline?—A. Yes, quite. I do not think we should use the word “threat,” though.

Q. But the threat is used that gratuity may be withheld, is it not?—A. Yes, as a precautionary measure; but I must refer you again to the fact that no man can be discharged for misconduct until his case is reviewed at headquarters.

Q. I have had complaints from boys in my own district that they are being kept at this magnificent institution down east here called “Cornwallis” doing nothing—just kept around there peeling potatoes and doing really nothing. They haven’t got a chance of getting out of the navy and going back to their jobs, but they are told that if they commit some incidental misdemeanour they will lose their gratuity.—A. No, that does not apply to the Air Force. It must be a serious offence of a specific nature, and generally it must be supported by the facts of a long record of misdemeanours. We nevertheless use it as a warning or caution.

Q. You should not.—A. Well, as I said earlier, you have to use many things in maintaining discipline.

The CHAIRMAN: May I point out to Mr. Cruickshank that while our terms of reference are pretty wide, they do not include going into the question of how the army, navy or the air force treat their personnel while they are in the service.

Mr. CRUICKSHANK: What?

The CHAIRMAN: I say that our terms of reference do not go so far as to include how the army, navy or the air force treat their personnel while they are in the service.

Mr. CRUICKSHANK: Mr. Chairman, I say that it is definitely understood by the Canadian Legion and the soldiers of Canada and the people that it is in their interest to know if a threat is held over the men of the loss of their gratuity while they are waiting in these camps and centres for discharge. I say the people of Canada are definitely interested.

The CHAIRMAN: We would be interested as members of parliament, but not as members of this committee. That does not come within our terms of reference.

Mr. CRUICKSHANK: I want to say right here, Mr. Chairman, that we are here to discuss everything relating to the veteran and veterans' affairs; and when a matter of this kind comes up I say that we definitely are interested.

The CHAIRMAN: Yes, after the veteran leaves the service.

Mr. CRUICKSHANK: Pardon?

The CHAIRMAN: I said, after they leave the service.

Mr. CRUICKSHANK: Are we to understand that they are not veterans until they are out?

The CHAIRMAN: They are not veterans till they have left the service.

Mr. CRUICKSHANK: Well, Mr. Chairman, the Minister himself got up on the floor of the House and said that we would have full right here to discuss anything affecting soldiers' and veterans' affairs. I maintain that this is definitely in the interest of the soldier—what is happening to him while awaiting discharge.

The CHAIRMAN: But my understanding is that a man is not a veteran until he has left the service.

Mr. SINCLAIR: That is in substantiation of what was said when we were discussing forms of misconduct in the service, that would affect his gratuity.

The CHAIRMAN: That is a different matter.

Mr. SINCLAIR: My colleague, Mr. Cruickshank, was discussing the effect a man's gratuity might have when used as a threat to discourage misconduct or to maintain discipline.

The CHAIRMAN: Perhaps I should not have made the observation that we should not go into these things to see what is behind them all, particularly in cases where gratuity has been withheld on account of what appears on the discharge certificate. We are interested to the extent of finding out what the individual affected did which caused the action to be taken, because of the language of the Act passed by this parliament and its effect on people who are actually serving. I think it is quite clear that it is not within our jurisdiction to go beyond that.

Mr. GREEN: Could we hear more of this from the Air Commodore?

The CHAIRMAN: Yes.

The WITNESS: Apropos the discussion just held, there is one thing which may have been overlooked; we are merely drawing the law of the land to the attention of individuals.

Mr. LENNARD: I think that Mr. Cruickshank's point has some merit. After all, we are here in the interests of the veterans, and everything that is done which jeopardizes their interests is a matter for our concern.

The CHAIRMAN: Yes. All I want to do at the outset is to point out—not because of anything that has happened this morning—that I think it would be felt that if we started to go into how the services treat their personnel before they are discharged, it would have no reference to the legislation which we will be considering and would be regarded as going outside the scope of our terms of reference.

Mr. BROOKS: No, except that the services have been calling the attention of their personnel to the provisions of this Act and warning them so that they would not lose their gratuities.

Mr. CRUICKSHANK: They are very, very generous.

The CHAIRMAN: Are there any more questions which you would like to ask Air Commodore MacKell?

By Mr. Green:

Q. Are there any applications turned down by the Air Force without referring them to the Board of Review?—A. No. sir.

Q. Then every case that you decide carries a favourable decision?—A. We make the decision first of all whether a man is to be discharged for misconduct. In a case like that it is referred automatically to the Board.

Q. But you do not deny gratuities to any airman yourself?—A. I think in fairness I should say, the fact that we register his discharge by misconduct we do.

Q. In cases of that kind are they referred to the Board of Review?—A. Yes; and the Board of Review in that case in my understanding have no discretion.

Q. No. It is referred to them in any event?—A. It is referred to them in any event.

Mr. MUTCH: Responsibility is with the air force because the other board have no discretion.

By Mr. Sinclair:

Q. I was going to ask a question of Lieutenant-Commander Sutherland but will now ask the Air Commodore. But before I do so, I should like once again to refer to this point of uniformity. I think it was Brigadier Topp who pointed out that we may have men discharged in Canada, as we say in the air force because they are of no further value to the service, men with records that long. A man of the same type overseas would probably be court-martialled. He is discharged for misconduct and loses his gratuity. Do you review the files of those who are discharged as being useless to the service?—A. No. The board of appeal reviews those. They were the ones that were discharged prior to January, 1944.

Q. They are all turned over to the board of appeal?—A. Yes.

Q. What is the constitution of your board or committee in the air force which screens these things and passes them on?—A. Merely the records officer, and he has been instructed that where there is any doubt, he is to refer them to the board of appeal. He has not any screening powers at all.

By Mr. Cruickshank:

Q. Does your branch do as they do in the navy—and I think it is an excellent idea—where, when a man gets a discharge, he automatically fills out his application.—A. Yes. That is with the discharge sheet.

By Mr. Quelch:

Q. Do the dependents of men killed while doing low flying receive pensions?—A. That I would not like to say. That is a matter for the pension commission. I think they do, but I am not sure.

By Mr. McKay:

Q. Would the Air Commodore tell us if every one of those thirty-six cases of officers who were dismissed from the service because of low-flying offences, disqualified themselves by such action insofar as war service benefits are concerned?—A. They have.

Q. They have?—A. Yes, they have for the period while serving as officers. If they re-enlist they start afresh.

Q. They get the benefits?—A. They re-enlist as acting sergeants.

By Mr. Winters:

Q. May I ask if there is any active liaison between the three services with a view to laying down standards to these appropriate authorities set forth in section 15?—A. Yes. We have a constant interchange, and they have a personnel members' committee comprised of the adjutant general, the air member for personnel and the chief of naval personnel, and they are constantly reviewing that; and one of the aims is uniformity of procedure, particularly in regard to discharge in relation to this war service gratuity.

Q. Do you think it is effective in getting standards for discharge more uniform than they were in the course of the war.—A. I think now it is. But as to discharges prior to the institution of the Act, I must say there was a considerable lack of uniformity.

Mr. GREEN: Is not the crux of our problem on this question, whether or not this board of review has ample discretion?

Mr. CROLL: Yes, that is so.

The CHAIRMAN: And whether we are referring things to them that really do not have to go to them. That is another thing that I think this committee might very well decide, because there is no use of having them go over stuff that we do not think should be grounds for depriving people of gratuities.

Mr. GREEN: Could Brigadier Topp tell us of any group of cases that he thought should not be referred to the board?

The CHAIRMAN: That would be a very helpful question, I think. Are there any other questions to be asked of Air Commodore MacKell? If not, we shall allow him to retire.

(Witness retired)

The CHAIRMAN: Would you care to answer that question, or did you get it, Brigadier Topp? Would you care to indicate to the committee any group of cases that you felt we could make a legislative decision on, so you people would not have to deal with them as individual cases? You understand the point, do you? Take, for example, what has been suggested in the committee—some offence that is purely a service offence, and even the case of discharge for that service offence. There are some members of the committee who have suggested that that should not be a ground of even referring it to the board unless it is an offence that involves moral turpitude or some crime like that. Is there any way in which your work could be cut down by a direction in the Act?

Mr. GREEN: Mr. Chairman, I think that is very important matter, and perhaps it is hardly fair to ask Brigadier Topp to give a snap decision on it.

Mr. MUTCH: Hear, hear.

Mr. GREEN: Why not let him think it over and let us know at the next meeting?

The CHAIRMAN: What I suggested to Brigadier Topp was what you had in mind, was it?

Mr. GREEN: Might I put it briefly this way: I think it would be very helpful to us if Brigadier Topp would say whether there are a group or groups of cases that he believes need never have been referred to him; in other words, that should be settled by the respective departments.

Mr. MUTCH: Or within the Act as it is—within the definition of the Act.

The CHAIRMAN: Or by definition in the Act.

Mr GREEN: Yes.

Mr. MUTCH: That is the best place.

The CHAIRMAN: And the committee is prepared to give you until the next meeting to think that over, Brigadier Topp.

Brigadier TOPP: I might say, off-hand, sir, that I cannot at the moment think of any group of cases which are capable of being defined, either in a regulation or in the Act itself. I should like to think the matter over, however, until the next meeting. I make that answer for this reason, that shortly after the board undertook this work, we endeavoured with the assistance of the Judge Advocate General and the Deputy Minister of Justice, to arrive at a definition of the word "misconduct" with a view to making the intent of the Act a little bit clearer than it now is. We struggled with it for weeks on end, and could not, in the end, arrive at any set of words which would be sufficiently wide to prevent discrimination somewhere. We looked at the definition in the Pension Act, for example, which simply says that misconduct shall be vicious or criminal conduct, or something to that effect. The legal officers thought that would be unsuitable perhaps, and the conclusion arrived at by the legal authorities, as well as by the heads of the services and the board, was that the circumstances surrounding each one of these cases differs so widely that probably the only satisfactory solution is a form of discretionary authority vested in some one, presumably the board, to enable it to make an equitable finding on the facts as presented.

Mr. GREEN: Right along that line, Brigadier Topp, would it be possible for you also to tell us any ways in which you think your discretion could be extended or should be extended? I do not want to get you into trouble with your seniors, the men to whom you are responsible, by having you give an expression of opinion of that type; but if there is no objection to Brigadier Topp giving such an opinion, I think that would be very helpful to us. I am pretty sure there should be some extension of the powers of the board. It would be very helpful if we could hear Brigadier Topp's ideas in this connection.

Mr. GUNN: May I suggest that that is all set out in the proposed amendment of the order in council.

Mr. GREEN: I do not think your amendment goes far enough.

Mr. MUTCH: Just at that point, on the proposed amendment as read today, I would be in complete disagreement with what Mr. Gunn has said; but I did feel—and Brigadier Topp I understood at our last meeting agreed—that if the intent germane to the recommendation which was filed with us the other day was carried out, his board would be satisfied. But I should be very much surprised, and I do not expect him to comment on my next remark, if he thought that the suggested amendments to the Act which were read today did, in fact, carry out the extensions which he desired.

Mr. GREEN: It puts the board in this position. They have had several months of experience dealing with a problem that is new, and, as I think, is very complicated. If he is not going to get into difficulties with his senior men in the department, I am sure it would be very helpful to us if Brigadier Topp gave us exactly what discretion he thinks should be given to the board of review.

The CHAIRMAN: I think that is a very helpful suggestion, because they have had the experience; and between now and the next meeting he can confer and perhaps give us a great deal of help.

Mr. CROLL: There is one question I want to ask the deputy minister. Is it possible for you to bring us figures indicating the number of people who left

one branch of the service under such circumstances as to disentitle them to gratuity and joined another branch of service, gave services there and are entitled to the gratuity as a result of the good service? That is as between the three services.

Mr. WOODS: I will see if I can get that. I have no doubt the army will have no difficulty in giving us the number of men who have enlisted two, three and four times, but I will ascertain the figures as between services.

Mr. PEARKES: When Brigadier Topp brings in that report regarding those cases which he feels need not be referred to him it is not necessarily on the terms of the present Act but with a view to seeing whether purely military crimes as such need be referred. It might be done under certain sections of the Army Act. For instance, crimes coming up under section 40 might possibly be considered as unnecessary to refer to the board.

The CHAIRMAN: Gentlemen, I would first ask that the steering committee remain for a few minutes. There are some things I think we can discuss. Secondly, we still have to hear from the Army and have some questions answered by Lieutenant Commander Sutherland. You will remember that the suggestion of the steering committee did not make any recommendation in regard to meeting on Friday. Is it your wish that we meet on Friday or meet again on Monday next? It appears to be the feeling that we meet on Friday. The army will be ready with their submission for tomorrow morning at 10.30 and then we will clear up what is left in regard to Lieutenant Commander Sutherland. Then we will hear from Brigadier Topp and then I hope we will be able to proceed with the rest of the presentation of the Legion. The meeting is now adjourned.

The Committee adjourned at 12.55 p.m. to meet again on Friday, October 19, at 10.30 o'clock a.m.

APPENDIX "A"

URGENT

OCTOBER 17, 1945.

The Under Secretary of State for External Affairs,
East Block, Ottawa.

For the information of a Parliamentary Committee now sitting, would you kindly secure by wire, information on the following two points:—

1. Does the United States Government make available any rehabilitation benefits to former members of the United States Forces while residing in Canada, and if so, what?
2. Are any rehabilitation benefits paid by the Veterans' Administration of the United States to American citizens for service in the Armed Forces of Canada? If so, what?

We would appreciate being advised immediately this information comes to hand.

Copy

W. S. WOODS,
Deputy Minister.

TELETYPE

*From The Canadian Ambassador to the United States
To the Secretary of State for External Affairs, Canada.*

WASHINGTON, October 17, 1945.

IMMEDIATE
CYPHER
TELETYPE
WA - 5363

WA-5363. Your EX-3672 of October 17th. United States veterans' rehabilitation benefits. Following are answers to questions asked:—

1. Yes. Under the G.I. Bill of Rights (United States Public Law 346, 78th Congress) and United States Public Law 16, 78th Congress, there is provision by which United States soldiers may take educational training in Canada. Assistance provided is United States \$50.00 per month for single men, United States \$75.00 per month for married men or single men with dependents, plus up to United States \$500.00 for tuition and equipment. Periods covered are: one year for minimum of 90 days' service; 36 months for minimum of 2 years' service; 48 months for minimum of 3 years' service, and so on.

2. No.

CANADIAN AMBASSADOR.

APPENDIX "B"

SECTION 5—DISCHARGE TO SHORE

.80—Discharge of Men

(1) A man may be discharged from the Naval Forces in accordance with article 7.80 (Table) which prescribes:—

- (i) the reasons for which a man may be discharged,
- (ii) the components of the Naval Forces whose members are subject to each reason for discharge,
- (iii) the case in which each reason for discharge is applicable,
- (iv) the authority required to approve discharge, and
- (v) subject to (3) of this article, the method of applying for discharge.

(2) No man may claim discharge from the Naval Forces as a right, except a man who has completed his:—

- (i) engagement, or
- (ii) qualifying service for a pension under *The Militia Pension Act*, Chapter 133, Revised Statutes of Canada, 1927.

(NOTE.—When the Naval Forces are on active service, a man is liable to continue in the Naval Service for whatever length of time the Governor in Council prescribes. (*See Section 13, Appendix I.*)

(3) A man who desires to obtain his discharge shall make a request in accordance with article 12.38 (Conditions of Service—Representations Concerning) to:

- (a) when the Naval Forces are on active service, the Captain of the ship or establishment in which he is borne; or
- (b) when the Naval Forces are not on active service, if a man of the
 - (i) Royal Canadian Navy, the Captain of the ship or establishment in which he is borne, or
 - (ii) Royal Canadian Fleet Reserve, the Registrar of the Reserve, or
 - (iii) Royal Canadian Naval Reserve, the Registrar of his Division, or
 - (iv) Royal Canadian Naval Volunteer Reserve, the Captain of his Naval Division.

(4) Except in the case of a sentence of dismissal or dismissal with disgrace, the Captain or Registrar shall forward an application for discharge for approval by letter, accompanied by the:

- (i) service certificate,
- (ii) conduct sheet,
- (iii) when applicable, medical history sheet and report of medical survey (*See article 39.04—"Medical Categories and Boards of Survey".*), and
- (iv) certificates, documentary evidence, and details required by *article 7.80 (Table)* for the reason for discharge on which the application is based.

(NOTE.—The regulations governing dismissal and dismissal with disgrace are prescribed in article 14.44.)

(5) (a) Subject to (b) of this clause and except for the reasons

- (i) absentee not claimed for further naval service, or
- (ii) dismissal, or
- (iii) fraudulent entry, or
- (iv) medically unfit, or
- (v) services no longer required,

the Captain shall forward all applications for discharge to the Administrative Authority through the Officer-in-Charge, R.C.N. Depot, who shall note on the application whether or not the man's services can be spared.

(b) When the Naval Forces are not on active service all applications for the discharge of men of the Reserves shall be forwarded

- (i) by the Registrar, to Naval Service Headquarters, or
- (ii) by the Captain of a Naval Division, to the Administrative Authority.

ARTICLE 7.80 (TABLE)

Reason for Discharge		Applicable To	Cases in which applicable		Approval required	Method of applying for Discharge
When the Naval Forces are on Active Service	When the Naval Forces are not on Active Service		(Services Terminated)			
Dead.	Dead.					See K.R.C.N., Chapter 49, (Casualties, Deaths and Funerals).
Demobilized.		All components except permanent members of the R.C.N.	On reduction or partial demobilization of the Naval Forces.		Officer-in-Charge, R.C.N. Depot.	As prescribed in Naval General Orders.
Expiration of engagement.	Expiration of engagement.	All components.	On completion of engagement under Article 7.08, unless re-engaged under Article 7.20. The Chief of the Naval Staff may approve the discharge of a man on expiration of engagement notwithstanding the fact that he may have re-engaged for further service. NOTE: When the Naval Forces are on Active Service, a man is liable to continue in the Naval Service for whatever length of time the Governor in Council prescribes. (See Section 13, Appendix I).	(a) When the Naval Forces are on Active Service, the Chief of the Naval Staff. (b) When the Naval Forces are not on Active Service, the approval of the Chief of the Naval Staff is required in cases where the man has, prior to the expiration of his engagement, re-engaged for further service. In all other cases no approval is required.		When the Naval Forces are on Active Service, as prescribed in Article 7.80(4).
Medically unfit.	Medically unfit.	All components.	When a man has been classed by report of medical survey, approved by the Medical Director General, as Category E. (See Article 39.04—Medical Categories and Boards of Survey.)		The Chief of the Naval Staff.	As prescribed in Article 7.80(4). (NOTE—A man shall be discharged from the Naval Forces as medically unfit when he has been classed by report of medical survey, approved by the Medical Director General, as category E. On receipt of an order from Naval Service Headquarters placing a man in category E the Captain shall take action to discharge the man for the reason 'Medically Unfit'.)

ARTICLE 7.80 (TABLE)—Continued

Reason for Discharge		Applicable To	Cases in which applicable		Approval required	Method of applying for Discharge
When the Naval Forces are on Active Service	When the Naval Forces are not on Active Service		(Services Terminated)			
Overage.	Overage.	All components.	Unless the Chief of the Naval Staff has approved his retention, a man shall be discharged from the Naval Forces on attaining the age of fifty years.	The Chief of the Naval Staff.		As prescribed in Article 7.80(4).
Underage.	Underage.	All components.	A man entered under the minimum age limit as a result of a misstatement of age on engagement, if: (i) he is still under the minimum age limit at the date of application for discharge, and (ii) documentary evidence of the correct date of birth is produced.	Chief of the Naval Staff, and, when the Naval Forces are on active service, the Senior Officer in chief command.		As prescribed in Article 7.80(4), accompanied by a true birth certificate or a sworn affidavit by the man's parent or guardian of the correct date of birth.
Unsuitable.	Unsuitable.	All components.	When a man is unsuitable for further service through continued lack of application or interest, or through continued misconduct of a minor nature,	(a) If a Chief or Petty Officer, the Chief of the Naval Staff. (b) If a leading rating or below, the Chief of the Naval Staff, and when the Naval Forces are on Active Service, the Senior Officer in chief command.		As prescribed in Article 7.80(4).
Pensioned.	Pensioned.	R.C.N.	On or after completion of the minimum qualifying service for a pension under the Militia Pension Act, Chapter 133, Revised Statutes of Canada, 1927. A man may be discharged or apply for his discharge on or after that time even though he has not completed his current engagement under Article 7.08 or 7.20. NOTE: When the Naval Forces are on Active Service, a man is liable to continue in the Naval Service for whatever length of time the Governor in Council prescribes. (See Section 13, Appendix I).	Chief of the Naval Staff.		As prescribed in Article 7.80(4).

Services completed.	All components.	Chief of the Naval Staff, and As prescribed in Article 7.80(4). when the Naval Forces are on active service, for men of the Reserves, the officer-in-charge, R.C.N. Depot.
	(a) Men who have become unfit for the branch in which they entered due to some physical defect not sufficiently serious to warrant discharge "Medically Unfit" and who are not transferred to another branch for which they are physically fit.	
	(b) Men ineligible to remain in the branch in which they entered through failure to qualify in a course of instruction and who are not transferred to another branch.	
	(c) Men who, through lack of education or inability to absorb instructions, are considered during new entry training as unlikely to become efficient in the rating in which they entered and who are not transferred to another branch.	
	(d) Men entered to perform some special form of duty, the need for which has ceased to exist, and who are not transferred to another branch.	
	(e) Men entered as a result of concealment of a minor physical defect which should have been disclosed during the medical examination for entry.	
	(f) Men whose services are no longer required, for any reason, other than misconduct, not covered by another specific category.	
	(g) When the Naval Forces are not on active service, men of the Royal Canadian Naval Volunteer Reserve who do not perform the minimum number of divisional drills prescribed in article 7.41.	
	(h) When the Naval Forces are not on active service, men of the Reserves, not exempted from Naval Training under article 7.42, who do not perform the Naval Training prescribed in article 7.39 for their component of the Naval Forces.	
	(i) When the Naval Forces are not on active service, men of the Royal Canadian Naval Volunteer Reserve who change residence to a locality where there is no Naval Division.	
	(j) When the Naval Forces are not on active service, men of the Royal Canadian Naval Reserve who do not report their next-of-kin and permanent residence in accordance with article 14.49 (12).	

ARTICLE 7.80 (TABLE)—Continued

Reason for Discharge		Applicable To	Cases in which applicable (At own request)	Approval required	Method of applying for Discharge
When the Naval Forces are on Active Service	When the Naval Forces are not on Active Service				
On compassionate grounds.	All components.	<p>If:</p> <p>(i) the man himself request discharge, (ii) his services can be spared, and (iii) he can prove that his service is inflicting excessive hardship upon his dependents and that discharge to civilian life would ameliorate that condition.</p>	Chief of the Naval Staff and, for a man of the Reserves, the Officer-in-Charge R.C.N. Depot.	<p>(a) The man requests discharge, producing documentary proof that the circumstances of his dependents have changed for the worse since his entry in the Naval Forces and that his return to civilian life is necessary to ameliorate that condition.</p> <p>(b) If the Captain considers that the applicant's reasons for seeking discharge are worthy of consideration he applies for discharge as prescribed in article 7.80(4) enclosing the documentary proof produced by the man in support of his request.</p>
To return to essential employment or agriculture.	All components except permanent members of the Royal Canadian Navy.	<p>If:</p> <p>(i) the man himself requests discharge, (ii) his services can be spared, (iii) he can prove that his services are required and will be used in specified employment, and (iv) if the request is to enter an industry not named as essential in Naval General Orders, the Captain has obtained a Certificate from the National Selective Service in the district where the man is to be employed, stating that the employment in question is essential to the efficient prosecution of the war.</p>	Chief of the Naval Staff, or, Officer-in-charge, R.C.N. Depot.	<p>(a) The man requests discharge, producing evidence to show that he is assured of employment in specified industry; and</p> <p>(b) When the request is to enter an industry not named essential in Naval General Orders:</p> <p>(i) if in his opinion the man's services can be spared, the Captain forwards the request to the nearest National Selective Service Officer for forwarding to the National Selective Service Officer in the district in which the man will be employed;</p> <p>(ii) the last named official informs the Captain direct of his opinion as to the essentiality of the case; and</p> <p>(iii) if the circumstances have not altered in the meantime, the Captain applies for discharge as prescribed in article 7.80(4); or</p> <p>(c) when the request is to enter an industry named as essential in Naval General Orders;</p> <p>(i) if in his opinion the man's services can be spared the Captain applies for discharge as prescribed in Article 7.80(4); and</p>

Entry in another armed service.	Entry in another armed service.	All components.	If: (i) the man himself requests discharge, in the best interest of the man and of the Armed Forces and (ii) the man can produce documentary proof that the service to which transfer is desired will accept him.	The Chief of the Naval Staff or, when the Naval Forces are on active service, the Officer-in-Charge, R.C.N. Depot.		(ii) informs the nearest Selective Service Officer of the man's name, rating and official number, together with the name of the place and nature of intended employment.
						NOTE:—A list of addresses of National Selective Service Officers is promulgated in Naval General Orders.
By purchase.	R.C.N.	In exceptional circumstances when the applicant has good and substantial reasons for seeking discharge.		Chief of the Naval Staff.		<p>(a) The man requests discharge, producing documentary proof in support of his claim, e.g., details of intended employment and rate of wages offered, or, if the request is based on the claim that his retention will cause undue hardship to his dependents proof that their circumstances have changed for the worse since his entry in the Naval Forces and that he is contributing to their support an amount of his pay which inflicts hardship upon him and which he could better afford as a civilian.</p> <p>(b) If, in his opinion the applicant's reasons for seeking discharge are worthy of consideration, the Captain applies for discharge as prescribed in article 7.80(4) together with Application for Discharge by Purchase (Form C.N.S. 222), his own recommendation and a statement that, as far as is possible, all information contained in the application has been verified.</p> <p>(c) Unless the Captain considers it desirable to allow or require its deposit with the application, payment of the purchase money is not required until approval for discharge is granted. Note: The rates of purchase money are prescribed in Article 7.84 and Article 7.84 (Table).</p>

ARTICLE 7.80 (TABLE)—Continued

Reason for Discharge		Applicable To	Cases in which applicable	Approval required	Method of applying for Discharge
When the Naval Forces are on Active Service	not on Active Service				
(At own Request)—Continued					
Free discharge.		R.C.N.	In exceptional circumstances when the applicant can prove that his retention will cause undue hardship to his dependents and that his circumstances and those of his family preclude the possibility of purchasing discharge.	Chief of the Naval Staff.	Except that the payment of the purchase money is waived, application is made in the same manner as for discharge "By purchase". The Captain shall certify in the application that he is satisfied that the circumstances of the man and his family preclude the possibility of purchasing discharge.
On compassionate grounds		R.C.F.R. R.C.N.R. R.C.N.-V.R.	Applicants who can prove that their service is inflicting hardship on them by reason of its interfering unduly with their education or livelihood.	Chief of the Naval Staff.	As prescribed in Article 7.80(4).
(Misconduct)					
Absentee not claimed for further Naval Service.	Absentee not claimed for further Naval Service.	All components	Men who have been marked "Run" for a period of at least thirty days and (i) it is not desired to claim for further Naval Service or (ii) whose engagements have expired.	Chief of the Naval Staff.	As prescribed in Article 7.80(4).
Dismissal.	Dismissal.	All components.	This may only be awarded by sentence of a Court Martial or Disciplinary Court or summarily by the Captain in accordance with Article 14.44		See Article 14.44, Dismissal from the Naval Service with or without disgrace.
Dismissal with disgrace.	Dismissal with disgrace.	All components.	This may only be awarded by sentence of a Court Martial or summarily by the Captain in accordance with Article 14.44.		See Article 14.44, Dismissal from the Naval Service with or without disgrace.
Fraudulent entry.	Fraudulent entry.	All components.	Except for those who are within the reasons "Under age" or "Over age" or "Services completed (e)", men who are found after	Chief of the Naval Staff, or, in the circumstances described in Article 7.86, the Captain.	As prescribed in Article 7.86.

Services no longer required.	Services no longer required.	All components.	(a) Men whose records show them to have been guilty of gross or long continued misconduct of a serious nature where the punishment of dismissal has not been imposed. (b) Men discharged as a consequential penalty imposed under article 12 63 resulting from a conviction by the Civil Power.	Chief of the Naval Staff, and when the Naval Forces are on active service, if a leading rating or below to be discharged under case (a), the Senior Officer in chief command.	(a) In case (a), as prescribed in article 7 80(4). (b) In case (b), as prescribed in article 12 63, Naval Penalties. Consequent on Conviction by Civil Power. Note: When application is made for discharge "Services No Longer Required" of a man undergoing a sentence of imprisonment or detention, the application shall include the name of the: (i) prison or detention quarters, and (ii) ship or fleet establishment in which he is borne during sentence. The decision is communicated to that ship or fleet establishment as well as to the ship from which the application is made.
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4.57—Reasons for discharge

- (1) Under the provisions of Article 4.55 (Authority to Discharge Officers) an officer may be discharged from the Naval Forces for the reasons shown in the table entitled "*Article 4.57—(Table)*".
- (2) (a) The discharge of an officer under the provisions of *Article 4.57—(Table)*, column (1), item (b), (c), (d), (e), (g), (i), (j), or (k), shall be effective 14 days from the date on which he is informed that his discharge has been approved.
- (b) If for any cause it is not possible to effect a discharge within 14 days of the officer being informed, the reason shall be reported to Naval Service Headquarters.
- (c) An officer discharged under the provisions of *Article 4.57—(Table)*, column, (1), item (b), (d), (j), or (k) may at the discretion of the Minister be granted the leave (normally due to him), to which he is entitled prior to being informed that his discharge has been approved. When it is proposed to grant leave under this clause the matter shall be referred to Naval Service Headquarters for approval.
- (d) An officer discharged under the provisions of *Article 4.57—(Table)*, column (1), item (h) shall be granted the pension leave to which he is entitled, his discharge being effective the day after the day on which his pension leave expires.
- (3) An officer discharged under the provisions of *Article —4.57(Table)*, column (1), item (h) shall have the word "Pensioned" added to the reason for his discharge, e.g. "Appointment terminated—Invalided—Pensioned".
- (4) (a) An officer whose discharge is recommended under *Article 4.57 (Table)*, column (1), item (c) shall immediately be informed of the recommendation for his discharge.
- (b) He shall within three days of being so informed, either.
- (i) render in writing his reasons against the carrying out of the recommendation or
- (ii) state in writing that he has no such reasons.
- (c) The statements rendered in accordance with (b) of this clause shall be forwarded to Naval Service Headquarters, as soon as practicable.
- (5) (a) An officer whose discharge is recommended under *Article 4.57—(Table)*, column (1), item (i) shall be informed of the recommendation and given the opportunity of tendering his resignation.
- (b) If he was promoted from the lower deck, he shall be granted the opportunity of re-enlisting in the rating he held immediately prior to his promotion.
- (6) A discharge effected under *Article 4.57—(Table)*, column (1), item (f) shall be effective on the date of the sentence of the court.

ARTICLE 4.57—(TABLE)

ITEM	REASONS FOR WHICH A DISCHARGE MAY BE EFFECTED	DESIGNATION OF DISCHARGE IN NAVY LIST AND APPOINTMENT LISTS	WHEN APPLICABLE	TO WHOM APPLICABLE	REMARKS
a	Death of an Officer.	Commission (or warrant) terminated—Discharged dead.	At all times.	All Officers.	See Chapter 49—Casualties, Deaths and Funerals.
b	An Officer determined medically unfit for Naval Service by a Board of Medical Survey.	Appointed terminated—Invalided.	At all times.	All Officers.	See clause 2 (a) See clause 2 (c)
c	An officer by reason of: (i) incapacity, or (ii) peculiarity of temperament, or (iii) inefficiency, or (iv) unsatisfactory performance of duties, or (v) intemperance, or (vi) irregular habits of life, or (vii) misconduct, or (viii) for any other reason is considered unfit for or unworthy of further employment.	Commission (or warrant) terminated—Unsuitable for Naval Service.	At all times.	All Officers.	See clause 2 (a) See clause 4
d	An Officer reaches the age limit for his rank under the provisions of Article 4.58 (Age for Retirement).	Appointment terminated—Over age	At all times.	All Officers.	See clause 2 (a) See clause 2 (c)
e	A officer tenders his resignation from the Naval Service.	Appointment terminated—Resignation accepted.	At all times.	All Officers.	See clause 2 (a)
f	An Officer is sentenced by: (i) Court Martial to "Dismissal with disgrace from the Naval Service", or "Dismissal from the Naval Service", or (ii) Disciplinary Court to "Dismissal from the Naval Service".	Commission (or warrant)—Terminated. (i) Dismissed with disgrace from the Naval Service, or Dismissed from the Naval Service, or (ii) Dismissed from the Naval Service.	(i) At all times. (ii) When the Naval Forces are on Active Service.	All Officers.	See clause (b).
g	When for the good of the Naval Service a reduction must be made in the complement of officers.	Appointment terminated—To promote economy.	At all times.	All Officers.	See clause 2 (a)
h	An officer whose release from service is approved and who, under the provisions of the Militia Pension Act is eligible for and granted a pension.	Appointment terminated — Pensioned.	At all times.	Officers of the Royal Canadian Navy.	See clause 2 (d) See clause 3

ARTICLE 4.57—(TABLE)—Continued

ITEM	REASONS FOR WHICH A DISCHARGE MAY BE EFFECTED	DESIGNATION OF DISCHARGE IN NAVY LIST AND APPOINTMENT LISTS	WHEN APPLICABLE	TO WHOM APPLICABLE	REMARKS
i	A probationary officer fails to qualify in his training courses.	Appointment terminated—Failed to qualify.	When the Naval Forces are on Active Service.	Officers of the Reserves.	See clause 2 (a) See clause 5
j	When an officer has completed the duty for which he was entered, or for whom there is no further suitable employment, or when prior to general demobilization a reduction in the complement of officers is necessary.	Appointed terminated—Services completed.	When the Naval Forces are on Active Service.	All Officers.	See clause 2 (a)
k	When a period of an emergency has come to an end and a reduction in the complement of officers is necessary.	(i) Appointment terminated—Demobilized. (ii) Appointment terminated—Discharged to Divisional Strength.	When the Naval Forces are on Active Service.	(i) Temporary officers and officers of the Reserves. (ii) Officers of the Permanent Reserves.	See clause 2 (a) See clause 2 (c)
l	An officer has his certificate of competency in the Mercantile Marine suspended or cancelled.	Commission (or warrant) terminated—Certificate of competency cancelled (or suspended).	When the Naval Forces are not on Active Service.	Officers of the Royal Canadian Naval Reserve.	
m	An officer accepts a position either afloat or ashore that is inconsistent with his position as an officer in His Majesty's Canadian Service.	Commission (or warrant) terminated—Unsuitable civil employment.	When the Naval Forces are not on Active Service.	Officers of the Reserves.	
n	An officer undertakes service which prevents him from fulfilling his engagement to serve when required.	Appointment terminated—Service rendered unavailable.	When the Naval Forces are not on Active Service.	Officers of the Reserves	
o	An officer fails to complete the Naval Training required by the regulations.	Appointment terminated—Failed to complete training.	When the Naval Forces are not on Active Service.	Officers of the Reserves	
p	An officer fails to qualify for promotion within the time required by the regulations.	Commission terminated—Failed to qualify for promotion.	When the Naval Forces are not on Active Service.	Officers of the Reserves	

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Friday, October 19, 1945

WITNESSES:

- Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review, War Service Grants Act, 1944.
- Mr. W. S. Woods, Deputy Minister of Veterans Affairs.
- Lieut.-Colonel S. Wellwood.
- Brigadier G. A. Ferguson, E.D.
- Lieut.-Commander J. A. Sutherland.

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1945



MINUTES OF PROCEEDINGS

FRIDAY, OCTOBER 19, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Belzile, Benidickson, Blair, Brooks, Cruickshank, Dorion, Drope, Emmerson, Fulton, Green, Harris (*Grey-Bruce*), Isnor, Jutras, Lennard, Marshall, Mackenzie, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Sinclair (*Vancouver-North*), Tremblay, Tucker, Viau, Whitman, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Lt.-Col. S. Wellwood; Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review, War Service Grants Act; Brigadier G. A. Ferguson, E.D.; Lt. Commander J. A. Sutherland.

Mr. Mackenzie submitted a recommendation that the War Service Grants Act be amended in regard to the powers and constitution of the Board of Review.

Colonel Wellwood was called, heard and questioned.

Colonel Wellwood was retired.

Brigadier Ferguson was called, heard and questioned.

Brigadier Ferguson filed Army Routine Order No. 1029 and appendix as amended by R.O. 4863, "Discharges from Active Units of the Canadian Army", which is printed as Appendix "A" to this day's minutes of evidence.

Brigadier Ferguson was retired.

Mr. Woods presented a statement in answer to a question asked at the last meeting regarding re-enlistment of men discharged for misconduct, which is printed as Appendix "B" to this day's minutes of evidence.

Brigadier Topp was recalled and questioned.

Commander Sutherland was recalled, answered certain questions put to him at the last meeting relating to the regulations governing the discharge of Naval personnel, and was retired.

Brigadier Topp submitted a recommendation that the War Service Grants Act be amended in regard to the powers of the Board of Review, made a statement in support thereof, was questioned and retired.

On the suggestion of the Chairman, it was agreed that an officer of the Department of Finance be heard at the next meeting in respect to the payment of gratuity credits for the purchase of government annuities.

The chairman stated that he had received representations urging the claims of civilian flying instructors and members of other auxiliary services to participate in re-establishment benefits and suggested that the proposed bill to amend the War Services Grants Act be confined to war veterans and that the claims of other groups be considered when the draft bill relating to firefighters and supervisors in the auxiliary services is under discussion. It was decided that the matter be referred to the Steering Committee and that its recommendation be considered at the next meeting.

At 12.55 o'clock p.m. the Committee adjourned until Monday, October 22, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 19, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, before we proceed the minister wishes to make a statement.

Hon. Mr. MACKENZIE: Just very briefly, Mr. Chairman and gentlemen, I wish to say something with regard to the discussion yesterday. I was not able to be here to hear it all. I should like to make a suggestion to the committee with regard to the proposed amendment concerning the board of review under the War Service Grants Act, to the effect that this board be reconstituted providing for appointment by the Minister of Veterans Affairs of a representative of army, navy and air, as well as a representative of the organized veterans. This is more or less along the lines we have followed in some cases under the War Veterans' Allowance Act. I wish to suggest that the powers of the appeal board be restricted to reviewing, as I think Col. Brooks suggested yesterday, cases that are excluded under sections 11 and 12 of the Act, and that they be given no power to review cases which are not excluded under the terms of the legislation. That is purely a matter for discussion and consideration.

The CHAIRMAN: In other words, the suggestion is that this power of review should be a shield against a person being deprived of his gratuity, and giving the right to have it reviewed rather than a dagger to take it away from him if he is otherwise entitled to it.

Hon. Mr. MACKENZIE: That is right.

The CHAIRMAN: I thought it would be a good thing to have this announcement from the minister. It might save a great deal of discussion and time. We have much important legislation which it would be wise to try to get through; and while a lot of these things are of sufficient importance to take a great deal of time to discuss them, if we do take that time it means that something else of great importance may not be dealt with. So I hope that the committee will bear that in mind if we try to curtail discussion as much as possible.

We have with us today a representative of the army to complete the submission of the armed services. Did you wish to give evidence first, Brigadier Ferguson?

Brigadier FERGUSON: I would prefer, Mr. Chairman, that the officer from the paymaster general's branch, who has charge of this particular work, should give evidence first, to indicate to the committee how these matters are handled and the principles upon which they are sent forward to the board of review. Lieutenant Colonel Wellwood is here.

The CHAIRMAN: On that point, if the government as represented by the minister here, is satisfied—as I understand it is—that the only cases referred are those where the men get discharged due to misconduct as defined in the Act, then the thing becomes pretty automatic and this evidence is really not something that I think we should take a lot of time on.

Mr. GREEN: Now, Mr. Chairman, surely that is up to the committee.

The CHAIRMAN: Yes. I am asking the committee.

Mr. GREEN: We have had evidence from the navy and the air force. Let us hear the evidence from the army.

The CHAIRMAN: I just put it to the committee because I did not want to take any more time than was absolutely necessary. If the committee wish to hear it, all right.

Mr. MUTCH: Will not this meet both the chairman and Mr. Green, that for the purpose of the record we should have the statement. I should think the declaration of the minister this morning would greatly obviate the necessity for such questioning as I intended to do, and I think that will be a general thing. It will shorten it by hearing it; get it on the record and get on with it.

The CHAIRMAN: Yes.

Mr. LENNARD: I would suggest that it not be interrupted by twenty-minute speeches.

The CHAIRMAN: Yes, Mr. Lennard. I think it should be in the record, perhaps, that this suggestion of mine was motivated with a view to getting the thing shortened as much as possible.

Mr. MUTCH: Before we finish, you may think twenty-minute speeches are short.

Mr. LENNARD: I have never been guilty of any such thing.

Mr. MUTCH: I have and I will be again.

The CHAIRMAN: Will you come forward, please, Colonel Wellwood?

Lieutenant Colonel SAMUEL WELLWOOD called.

By the Chairman:

Q. Will you give your description; that is, what your position is in the army?—A. I am the officer of the paymaster general's branch who is in charge of the war service gratuity section, which receives and deals with the applications for war service gratuity.

Q. Will you just proceed?—A. Up to the present time, of the applications received for gratuity we have referred to the board of review 2,157 cases; of that number the board has found 966 not entitled to the gratuity, 477 entitled, 144 cases, in which the man had more than one period of service and from which he was discharged in one or more cases for misconduct and one or more cases for other reasons, were found to be entitled in the one case and disentitled in the other. In other words, this man has been in the army twice, and once he was discharged for misconduct and once for other reasons; and the board have ruled that he is entitled for one period and not entitled for the other. That leaves 570 cases still to be finalized.

By Mr. Brooks:

Q. They are coming in all the time? There are others coming in all the time?—A. There are others coming in all the time. They are coming in at the rate of about 40 a week. We have made a survey of these cases received subsequent to the first of May. Since the first of May we have submitted 84 cases relevant to officers. Of those 84, eleven officers were dismissed from the service or cashiered; and of those the board have confirmed that 8 are ineligible. We are awaiting a decision on the other 3. The remaining 63 cases or those who—

By Mr. Isnor:

Q. Did you say 8 were eligible?—A. Eight were ineligible. The remaining 3 are awaiting a decision. 63 other cases other than stated misconduct were

submitted. The board ruled that 29 of those are eligible, 17 ineligible, and 17 are awaiting decision. During the same period we submitted 807 cases relevant to the service of other ranks. Of those, 360 or 45 per cent were discharged for the stated reason of misconduct. The break-down on that is as follows: 285 were considered by the board to be ineligible. In one case the board succeeded in having the reason for discharge changed, and he has been paid the gratuity. 74 cases are still awaiting decision. 378 cases or 47 per cent were cases who were discharged for other than stated misconduct but whose record on the face of things was equally as bad as those who were discharged for stated misconduct. Those were submitted to the board. 114 of those were ruled as being eligible, 7 ineligible. 257 are awaiting decision. Then 69 of those people had two periods of service, from one or more of which they were discharged for misconduct. That is 8 per cent of the number. Of that 69, 38 were confirmed as eligible for one period and ineligible for another period. 2 were considered eligible for all their service and 29 are still to be reported upon.

The decision as to whether or not the accounts are to be submitted to the board is made in my section, the war service grants gratuity section, paymaster general's branch; and the decision is based on the instructions we have received that all personnel discharged from the three armed services are to receive the same consideration. Therefore if we have a case of a man who is discharged for other than misconduct reasons, and the record on the face of it shows that he was not as well behaved as some who had been discharged for misconduct, then his account is placed before the board. And by the same token, if we have a case of a man who is discharged for misconduct and the record does not appear to be as bad as some who were discharged for other than misconduct, that account is placed before the board with special attention being drawn to this fact.

By Mr. Brooks:

Q. Are there any cases where you do not submit them to the board and also yourselves decide that no gratuity is payable?—A. None. We do not disentitle any one ourselves.

By Mr. Green:

Q. What are your main difficulties in deciding what cases should or should not go to the board?—A. The main difficulties are principally that we find that all persons dealing with these cases apparently do not hold the same view for the same case. I have one in my bag that came to my desk yesterday. Three people gave their opinion on one slip of paper. One says the man should be discharged for misconduct. The second says he can see no reason why he should not be discharged for misconduct. The third says he should not be discharged for misconduct. So we have there three people, dealing with the same case, who are not in agreement.

By Mr. Mutch:

Q. In point of fact, what was he discharged for?—A. Misconduct.

By Mr. Green:

Q. I suppose it is almost impossible to make any definition that would enable you to decide all cases either for or against?—A. I would think it is impossible to make an exact definition that we could follow. Almost every case has some different aspect.

Q. It is a matter of dealing with the individual case.

By Mr. Sinclair:

Q. Do you look at all the conduct sheets all the time or are certain conduct sheets drawn to your attention by the C.O.'s?—A. We look at every record of all the officers. It is only on their file.

Q. Yes?—A. In the others, we get a complete list of their punishments—absence without leave, close arrest and so on.

Q. All, or just certain ones?—A. We get them all; and from that we determine whether or not to proceed with an investigation.

By Mr. Quelch:

Q. Are the majority of cases branded as misconduct for a similar reason? Would you intimate what the general cause is?—A. It is about 50-50. In this period we have surveyed, 45 per cent. were cases of stated misconduct; 40 per cent. were cases which on the face of them appeared to be of the same nature; and 8 per cent. were those who had two periods of service. So it is about an equal proportion.

By Mr. Mutch:

Q. Did I understand you correctly to say that the reason the army began looking behind the stated cause of discharge was that the other branches of the service were referring cases who had not been discharged for misconduct and you wanted to keep the scales even?—A. Not only for that reason but also that two men might have been discharged for different reasons. With two men who were known to each other and who knew each other's record one might have been discharged for misconduct and the other not. Then the one who was discharged for misconduct gets no gratuities and says, "Joe Smith was equally as bad as I was and he got his. So what?"

Q. I should like to ask another question. Do you not think in making these decisions that the war gratuities branch of the paymaster's office is in point of fact assuming the responsibility which was originally assumed by the Act, and apparently not completely covered by the Act owing to the fact various discharge officers do not agree, and in the second place assuming part of the responsibility which was laid on the board?—A. We do not decide whether he is going to get the gratuity. We merely decide to give the board a chance to examine the account to ensure that all discharges are treated alike.

Q. You assume the right to question it though?—A. We assume the right to question it.

MR. MUTCH: May I ask another question of you, Mr. Chairman? Is it your understanding that the memorandum submitted this morning by the deputy minister and approved by the minister would eliminate any further decisions of such a nature on the part of any of the services?

THE CHAIRMAN: That is my understanding, that if a man is ruled by the service to get a clear discharge that nobody should go snooping into his record to try and deprive him of the rights he got when he got a clear discharge.

MR. GREEN: I think the facts should be kept clearly before the committee. Brigadier Topp said yesterday there were certain cases in which a man was discharged for misconduct and another man who had been guilty of exactly the same misconduct and was far less worthy because he had not had any service overseas was going to get the gratuity whereas the other man who had been overseas was not going to get it. I do not think we want to be too quick or hasty.

THE CHAIRMAN: Let me make that very plain. The suggestion this morning is to let the committee know that no obstacles will be placed in the way of this committee in doing what they think is right in the matter. There is no intention whatever to say to the committee that they cannot make a decision which they think is right in the matter. It is a matter of letting you know that

you have the right to do what you think is right in the matter. If you think you want to go a certain distance in this direction there will be no obstacles placed in the way by the government. In other words, I think we are in a very happy position in this matter. We can now decide what we think is just and equitable and our decision will be accepted.

Mr. Mutch: May I complete my question then, Mr. Chairman? You say your understanding of the memorandum is that once the service has determined that a man was not discharged for misconduct they cannot go behind that but where is the decision in the service? Is the decision going to be at the point of discharge or is the decision going to be at the discretion of the war service gratuities branch of the pay office?

The CHAIRMAN: As a matter of fact, that brings up the whole question. If the committee thinks that there has to be a review of discharges that were given on an absolutely clear basis then obviously it seems to me you have got to give the soldier himself a right to appear and be heard. It means you have got to set up a complete administration to review a man's service and try and upset his clear discharge. There may be a possible exception in the case of the navy where the discharge "services no longer required" means misconduct. There may be a possible exception there, but in the other services you are going to have to review cases where a man has got a clear discharge. If the committee thinks in justice to everybody, as Mr. Green says, that we should provide for that then it is quite within the bounds of possibility to set up the machinery to do so, but it seems to me it is a matter for the committee to discuss after they have heard the evidence and the recommendation of the army in the matter.

By Mr. Merritt:

Q. I should like to ask a question. Can a man be discharged for misconduct as an administrative decision rather than a decision by court-martial or perhaps summarily?—A. The district officer commanding makes the decision.

Q. And on what grounds does he make that decision?—A. He is authorized by regulations to make the decision on the evidence submitted to him by the officer commanding the unit.

Q. Would that be generally on the whole record of service of the man or on a particular offence which he has committed?—A. I am not in a position to say that.

The CHAIRMAN: We will be able to give you the answer for that with the next witness, the exact terms on which discharges on the ground of misconduct are given.

Mr. MERRITT: I think that, of course, is at the whole root of this matter.

The CHAIRMAN: The routine order both here and overseas will be laid before the committee.

Mr. SINCLAIR: Before we leave that point I might point out there has been one discrepancy in the evidence so far. Both the colonel and the commander from the navy pointed out they did review cases of men who were discharged for other than misconduct and sent some of those cases forward. Air Commodore MacKell was quite explicit that in the air force they sent forward only those who had been discharged for misconduct. So right now I think the services are not following a uniform practice, and that has led up to all these hostilities between the various branches of the services. The colonel has just said now that you do review the files of men who ostensibly have a clear discharge. You send them forward for review; is that right?

The WITNESS: Yes.

Mr. PEARKES: Is it not a principle of all military courts that once a man has been tried and sentenced when that sentence is reviewed the sentence

cannot be increased? Does it not come to the same thing here? If this board is reviewing cases where men have been discharged not dishonourably and would be entitled to their credit then the board is increasing the sentence by taking away the credit from them.

The CHAIRMAN: Are there any other questions? I think that is a point that this committee has to decide.

Mr. BELZILE: The witness just stated he could not give any definition of the word "misconduct". I think it can be arrived at if we look at the criminal code and the different regulations. The criminal code makes a distinction between a felony and a misdemeanor, and then you have a regulation as to service offences. I humbly submit that in the first case when a man is discharged for a felony he should not be eligible and in the other cases, misdemeanors and service offences, he should be declared eligible, and that any time a man has been permitted to re-enlist the offence before his new enlistment should be wiped out.

Hon. Mr. MACKENZIE: I wonder if I could suggest that my friends look at the Act we passed last year. Misconduct includes:

(a) The commission of an offence under the Naval Discipline Act, the Army Act or the Air Force Act, of which the member was convicted by a court-martial including, in the case of naval forces, a disciplinary court or of which he was found guilty upon summary disposition of the charge;

(b) the commission of an offence of which the member was convicted by a court of competent jurisdiction;

(c) such misconduct as might in the case of an officer result in his removal from the forces.

That was the definition.

Mr. GREEN: What are you reading from?

Hon. Mr. MACKENZIE: That is in the suggested new bill.

Mr. FULTON: Can the witness tell us under what authority the D.O.C. acts or under what terms of reference he is guided?

The CHAIRMAN: We will get that from the next witness. This gentleman is just giving his own knowledge in regard to the pay office. We have a witness for the army who will lay down the exact basis on which the discharges are given. He will lay before the committee the routine orders both here and overseas.

Mr. LENNARD: Might I suggest that the witness be allowed to proceed.

The CHAIRMAN: Are there any other questions of this witness? Then we will call Brigadier Ferguson to complete the evidence for the army.

Brigadier GEORGE FERGUSON, Deputy Adjutant General, Department of National Defence, called.

The CHAIRMAN: Brigadier Ferguson will tell us his position in the army and his means of knowledge of what he is going to speak about.

The WITNESS: Mr. Chairman and gentlemen: I am deputy adjutant general in the Department of National Defence, branch of the adjutant general. Listening yesterday and so far today there are one or two points I believe some of the members of the committee would like to have information on. The first is the one dealing with our order covering discharges from the army. I have here an office consolidation of army routine order 1029 which sets out the various

causes for discharge in the first column. It sets out in the second column the designation of the officer who authorizes the discharge, in the third column the name of the person who carries out and confirms the discharge and in the fourth column special instructions. There are thirteen causes for discharge in the army at the present time as set forth in this order. We are principally concerned with reasons 7, 8 and 9. They are under the heading "Misconduct".

When the chairman said I could give in my evidence the exact reasons for discharges for misconduct I am afraid that is going a little further than I or possibly any other person in the army can go. I understand you have all had great experience in the army. I see some of our own officers here, some of our commanders-in-chief in our commands. Possibly you all know about the system but I think I should outline it very briefly. The country is divided into military districts each headed by a district officer commanding, one by a general officer commanding in chief. That is the Pacific command. Each district has a depot. M.D. 3 has two depots, the extra one being here at Ottawa, No. 9. That makes twelve depots. Every discharge from the army is carried out in one or other of those twelve depots and has been for a considerable time, a matter of years now. The person who carries out the discharge and confirms the discharge is one of those depot commanders, and he in some instances authorizes it and carries it out. That is the case under reason No. 10, which is medically unfit. When the medical board authorizes the discharge, that is, shows that the man is eligible for discharge under 1029 (10), medically unfit, the C.O. of the depot has power to authorize, carry out and confirm the discharge. That is clear under medically unfit.

For misconduct the D.O.C. must authorize that discharge. Therefore you have this position, that every discharge for misconduct is authorized by the district officer commanding except under 9 which is the one "having been sentenced to be discharged with ignominy" because there you have a direction of the court and the C.O. just carries it out, but under the other two, having been convicted by the civil power during his service which is 1029 (7) and for misconduct, which is 1029 (8) the D.O.C. must authorize that discharge.

Now, it is not necessary for me to say that we have absolute confidence in the ability and integrity of our district officers commanding and in our depot commanders. When they carry out a discharge and show on the discharge proceedings that it is a discharge for other than misconduct we feel—and I am authorized to say here on behalf of the army—that that should not be inquired into. No body or person should be permitted to go in behind that and strive to take away these rights that are given to the soldier, these cases have been considered by those whom we consider competent officers set up to perform these duties.

By Mr. Merritt:

Q. On this point Brigadier Topp raised of the man who was discharged as medically unfit and yet was shown under some form of inquiry to have had a wound which it was suspected had been self-inflicted, would that discharge be authorized by the depot commander without going before the district officer commanding?—A. Correct. If you would like to have me discuss that case, I am familiar with it; but, of course, I will not give the name, I could not give the name to anyone. The facts of that case are these. I brought along the file because I thought it was so outstanding. This soldier joined the army on the 10th of September, 1939. He served overseas from October 1940 for the next eighteen months. He has eighteen months' service overseas. He was returned to Canada as an assistant instructor and posted to a training centre. He had been married seven years and had three children. There were domestic difficulties since he went overseas; his wife was going out with a taxi driver. The conduct sheet on the file attached to the proceedings here, cleared; no entry

from No. 1 sheet to No. 2 sheet—it is clear. It is alleged by some that he had a self-inflicted wound. The chairman asked a question yesterday which I noted, as to whether there was a conviction by court martial or any other tribunal. There was not. It was a finding of a court of inquiry. At the court of inquiry, which is a fact-finding body, he did not have the opportunity of defending himself. On the record that man has no conviction for S.I.W.; absolutely. The D.O.C., in this case the depot commander, saw fit to give him a discharge on medical grounds. That commanding officer looked into this man's record. He knows all about it. He saw fit to put him out on medical grounds. The soldier on the order of the deputy minister forfeited the time he was in hospital, because they suspected there was sufficient evidence apparently to forfeit his pay for the time he was in hospital. Nevertheless, he was put out by the depot commander on medical grounds. Now, this is one of the files sent up to the board of review, and on the file is a memorandum in these words: "Memorandum for file, dated April 11th, 1945: In the opinion of the board this application should remain in abeyance pending directionary power now being sought." They want the power to take that man's benefit of credit away from him.

Mr. GREEN: Why did you send it up to the board?

By Mr. Sinclair:

Q. Why did the hospital dock his pay? If he was discharged because he was medically unfit it would appear to me that should have been paid while he was in hospital. That does not seem to be consistent at all.—A. I am afraid I cannot answer those questions. I am taking that file as I see it here in the light of what you are dealing with to-day.

By Mr. Green:

Q. Why did you send it up to the board of review?—A. I did not.

Q. Who did?

By Mr. Mutch:

Q. How did it get there?—A. You heard this morning how these things get there. That is the procedure.

By Mr. Green:

Q. The army did it?—A. I am part of the army, and I am saying what is done. This is not, in my opinion, correct. I am stating my own opinion in this case because it has been referred to the committee, and I think it my duty to lay before the committee the evidence of this particular case.

By Mr. Mutch:

Q. Just one other question. You mentioned an interesting fact. This man has a clear discharge, and in spite of that he had pay deducted for hospitalization, which is a penalty. I do not know whether you would like to answer this question or not, but in your opinion is that period of pay recoverable?—A. I could not answer that question.

The CHAIRMAN: As regards why this was referred, the army authority, of course, operated under Section 15, which says "In the event of such authorities deciding that the member is, by virtue of either of the said sections, not entitled to any benefits under the Act, and in any other case in which such authorities deem fit".

Mr. MUTCH: "Deem fit", that is it.

The CHAIRMAN: Yes. So Brigadier Ferguson cannot be held accountable for what various army authorities do.

Mr. FULTON: The case which has been brought before us is not by any means an unusual case. In cases of this kind in Canada where a court of inquiry made a finding that a man had a self-inflicted wound usually there would be a direction also for a court martial in order that the man's record might be cleared up by his having an opportunity to appear before such a court martial. This is an unusual case, and I am anxious to know whether in your opinion the man himself might have been prejudiced by not having a court martial.

The WITNESS: For several reasons which I am not prepared at the moment to tell you, he was not court-martialed. He was discharged as medically unfit.

Mr. FULTON: That is not the general rule. That could not happen except in exceptional cases.

Brigadier TOPP: I can answer that question, Mr. Chairman.

The CHAIRMAN: All right.

Brigadier TOPP: A court martial was ordered by the adjutant general in this case. The order went out over the signature of Brigadier Ferguson's assistant. As you know, before a man can be tried by court martial it is necessary that a medical certificate be provided certifying as to his fitness to stand trial. As I recall the circumstances of this case the medical officer reported that the soldier was unfit to be tried by court martial—I believe because of the effects of this quite serious self-inflicted wound—and he was not tried, to the best of my knowledge, for that reason.

Mr. BROOKS: Was he not entitled to hospitalization until such time as he would be fit and then be tried at that time? It seems to me that he should have been kept in the army until he was out of hospital and then be tried when he was fit. That is the usual procedure.

Mr. MUTCH: That is right.

Brigadier TOPP: I might cite, merely as an illustration, another case of a young man in Italy where the circumstances were very much the same. He had a clear record previously and then he shot himself. He was tried and sentenced to be discharged with ignominy, and got in addition two years in the penitentiary. It seems to me to be inconsistent to say that one should be paid and the other should not be paid.

The CHAIRMAN: Yes, but you would have the power under the provisions adjusted, if a man gave service in a theatre of actual war and became so depressed and broken down by that service that he did resort to something like that; and you are of the opinion that he should get credit on account of the good service he gave. You could give it to him in the case of the man in Italy too?

Brigadier TOPP: Absolutely, sir.

The WITNESS: Before I pass on from that case there is one other feature—

By Mr. Viau:

Q. You say that the O.C. of the depot has the power to authorize discharge?—A. On medical ground, that is under 1029-10, when a medical report comes to him showing that the man is for discharge.

Q. I thought that was the D.O.C.?—A. It is by the D.O.C. in these misconduct cases. There are some other subsections on routine order No. 1029.

By the Chairman:

Q. How long is that routine order?—A. Since the beginning of the war.
Q. I mean, how long is it?—A. Oh, I beg your pardon.

By Mr. Viau:

Q. There are other sections than 10; there are sections 8, 9 and 12 all referring to misconduct?—A. No, No. 12 does not.

Q. There are the regulations?—A. But 1029-12, sir, is not a discharge for misconduct and never has been in the army. It is so in the navy, but it never has been in the army.

Q. May I state that we have the regulations based on 1029-12 and men have been discharged for misconduct under 1029-12—services no longer required?—A. All I can say is there is an order in council behind this. It is law. And 1029-12 says this; "Services being no longer required; this is under the authority of the A.G., confirmed under the authority of the C.O.; only applicable to a soldier who cannot be discharged under any other sub-para." That is the only answer I can make to that as it says it is not to be used for misconduct because there is a special clause for misconduct.

The CHAIRMAN: For the purpose of study by the committee, I think that we should make this an appendix to today's proceedings because it is a source of reference and it will make the evidence more intelligible.

(Order 1029 appears as Exhibit A).

By Mr. Pearkes:

Q. Is it necessary for these discharges to be signed by the D.O.C., or may they be signed by a staff officer for him?—A. By a staff officer for him, sir.

By Mr. Sinclair:

Q. May I point out, sir, that the discharges in which this committee are specially interested are the ones which are given for misconduct, as it is my understanding that in most cases they are carried out as a result of a court martial sentence. What I would like to know is, where does the actual charge of misconduct start? Does the C.O. of the unit decide that such action shall be taken?—A. Yes, sir. I am trying to explain just exactly how this is handled. We will take a particular case arising say in the depot at Toronto of a man who is due for discharge—

Q. I do not mean the depot, I mean some chap who is at his unit.—A. He cannot be discharged any other way than in a depot.

Q. I know that, but I am thinking of what happens in the Air Force, with which perhaps I am more familiar. There the man's record is at his unit, and the unit commander sends a letter forward saying that in his opinion this man should be discharged on grounds of misconduct. That goes to the A.O.C., and the A.O.C. considers and sends it back, and the man is discharged on grounds of misconduct. I am wondering whether the procedure is the same in the army? Can the C.O. himself—the commander of the regiment, or battalion, or whatever you call it in the army, initiate action to have a man removed on grounds of misconduct?—A. May I explain the procedure again, sir? It is very simple. Take a depot of a certain command, M.D. 11—No. 11 District Depot, Vancouver. The commanding officer has a man there waiting, ready for discharge. His assistants check up the record, the file, particularly the conduct sheet; and they make a decision as to whether they are going to initiate an application for discharge under 7 or 8—that is for misconduct. If they decide that they are going to proceed with the application on misconduct they prepare the application and all the papers and submit them to the district general officer commanding

in chief. His appropriate staff officers check it over, and a decision is taken in that headquarters as to whether there are sufficient grounds to discharge the man for misconduct; and if the decision is in the affirmative the direction goes back from the D.O.C. in chief to the depot commander to carry it out on that basis; if the decision is in the negative something else will be done, some other procedure will be taken. Now, that whole decision is taken in the command.

Q. That does not answer my point. How does this man get to the depot in the first place?—A. Every man must be taken into the depot for discharge.

Q. That is my point. Why was this man sent to the depot for discharge? My point is this: I can think of men with a conduct sheet a foot long, and trained C.O.'s would not think of putting them up for discharge for misconduct. They are very good men in the line, but they are guilty of drunkenness or being absent without leave. Then there is another man who does not show the same fighting qualities. If that discharge were started for the man who was a good fighter the D.O.C. would put this man up for discharge for misconduct and if he gets to a depot, where it is a matter of documents, you may have a good fighting man discharged for misconduct for a long series of petty crimes. In the air force these discharges for misconduct do not start with any of our manning pools or release centres, they start with the squadron. The C.O. decides that this man is of no further use to the air force and he is going to be discharged as unsuitable, and he is discharged for misconduct. The air force has a great deal of it, because when they were discharged from the air force the army took them up.

Mr. MUTCH: Some of our best men.

Mr. SINCLAIR: My point is, can the D.O.C. put a man up for misconduct on his own volition, if he has a long and dismal record?

The WITNESS: The procedure is identical. It originates likely with the platoon officer who goes to the company officer and says, "I think this man should be discharged for misconduct," and so it goes on through, but the man must eventually go to the depot so that the discharge is carried out. It is the depot commander, when this man eventually reaches there, who actually initiates and furthers the application and sends it on to the D.O.C. They are all very carefully considered. We have carried out—I do not think it is any secret—292,000 discharges in the army; and in carrying out that many discharges you are bound to have a few slips. But the percentage of discharges for misconduct is very low. I haven't got the exact percentages, but it is very low.

Now, sir, with your permission, and if there are no other questions, may I return to that sergeant's case, the S.I.W. It appears to us that a man, having given eighteen months' good service overseas, ought, in any event, to receive his gratuity for the paid-days' service when he did good service; and the minister, of course, cleared that up this morning in stating that nobody is going to be permitted to take that away from him, as I take it. Therefore, Mr. Chairman, I take it that there is no further discussion on that angle that is essential?

The CHAIRMAN: It is for the committee to decide.

The WITNESS: At least, that is the stand in the army, that in that case he should be paid his gratuity, even if he were discharged for misconduct, for the paid-days' service that he rendered good service—service that was good enough to be paid for.

By Mr. Quelch:

Q. Is not that the rule with regard to the case of all men who served overseas? Should they be paid up to the time they committed the offence? Why differentiate in one case?—A. I would like to deal with our attitude on the case of the man who has been discharged for misconduct.

By Mr. Whitman:

Q. You said he could be paid for his good service; how do you define good service? If a man has a record before he goes up for discharge, do you still call it good service until the day of discharge or until his discharge is initiated? Is this service he has given, according to the record, considered good service still?—A. Take that sergeant's case. He had rendered good service overseas for eighteen months. His record was clear and he was paid for that. Therefore, I assume that as he was paid it was considered good service, because we saw fit to pay him for that service.

Q. That does not answer the point. Suppose that the sergeant had a record; suppose he had had some petty crimes, such as being A.W.O.L., or some of those other small crimes, would that have been considered good service until he was brought up to the depot for discharge?—A. It would have been considered good service except that part of it where he was undergoing detention and his pay had been forfeited. We do not suggest that he should be given a gratuity for any of that period of time, but we do suggest that he should be given a gratuity for the time for which he received pay.

Now, turning to the other one, which is a more difficult problem in our opinion—in the opinion of the army—it is a case where a man has been given a discharge certificate under 1029-7-8-9. Following that same thought that a man should be given his gratuity for every day of paid-service there is a very strong argument in favour of paying the man who is discharged for misconduct, but you are faced with this: you may find a man who has served four years, say, in Italy, and who went on leave in Rome and, say, for the sake of argument, he committed rape or armed robbery or manslaughter—some of the more serious offences known to the civil law—and he is convicted and given five years. These are the troublesome cases. The cases that are not so troublesome are the cases of men who under similar circumstances went to Rome, got drunk, went A.W.L., were court-martialled and given two years.

By Mr. Harris:

Q. Why do you say they are more difficult?—A. These are service offences as compared with the more serious offences known to the criminal law.

Q. All preceded by good conduct?—A. Yes, sir, all preceded by four years of good service. In the hypothetical case we are considering, if it were not for those serious cases I would recommend that we should forget all about referring these cases, even these cases where there are discharges for misconduct, put the thing over and make it automatic that he be paid the gratuity for the days he received pay; if he had paid-service he is entitled to the other; but we are faced with these serious crimes. Now, I am not firmly convinced in my mind as to what should be done with that. It may be that a board of review should be set up or some similar body or person, to review all cases where the discharge is for misconduct, so they can draw a line between the case I have referred to where the man was sent to jail for absence without leave, or desertion, and the case of manslaughter and that other more serious case. I am not prepared to go any farther on that. I think that deals with the two cases that came up, and that is all I have to say at the moment.

By Mr. Viau:

Q. I think for the information of the committee that the reasons should be given by Brigadier Ferguson as to why discharge is carried out under 1029 (7), why discharge is carried out under 1029 (8) and why discharge is carried out under 1029 (9). These all refer to misconduct, but there must be a certain degree of misconduct before the discharge is carried out under any one of the sections?—A. I will attempt to explain that. 1029 (7) is, "having been con-

victed by the civil power during his service." You can conceive of a case coming before the commanding officer where a man has been convicted by the civil power; it may be 7 days for driving a car while drunk or it may be 5 years for some more serious offence. The commanding officer finds his man absent. He is not with his unit and he is in jail. He must consider whether he is going to discharge that man or try to salvage him for further service. You can see that if the fellow is jailed for 7 days for driving a car while drunk, the commanding officer naturally—and any one of you, I think, would say the same thing—would say, "Well what is that fellow's record? Is he all right?" and he would send for his company commander. "A good man, sir", would likely come the reply. In that case he would not discharge him. But if he did discharge him, that would be the section under which he would proceed. That is conviction by the civil power. It is left to the discretion of the commanding officer, sir, or the district officer commanding—maybe that is what is puzzling the hon. member—to say whether that man should be sent out on discharge or salvaged for further service and kept in the army.

Q. If you are convicted in a civil court while you are serving in the army, sentence has to be for a period of at least 6 months before discharge is carried out.

Mr. MUTCH: It is only automatic then.

The WITNESS: Well, the interpretation which has been put on this in the army so far—and I think it is a fair one—is that the matter is left to the discretion of the district officer commanding or the C.O. It does mention 6 months. In the instructions—that is column 4 of the order that I referred to, it says this: "Normally in itself, a sentence of 6 months or less will not constitute cause for discharge." That does not say that if it is over 6 months it is automatic, because a C.O. might say, "There is a good man. I will not let him go. I want to salvage him. He will do good service. He has had a bit of bad luck and he is in jail, that is true; but I am going to keep him." And he would not discharge him. That discretion is in the D.O.C. The C.O. would possibly discuss it with the D.O.C. or might make the decision himself as he would not initiate the discharge. Does that answer that part of the question?

Mr. VIAU: That is 1029 (7).

The WITNESS: Yes. Then 1029 (8), "for misconduct." The instructions that are in the margin are these:

Applications accompanied by field conduct sheet (or copy) and copies of conviction to be sent to the District Officer Commanding, who will authorize the discharge if he thinks it desirable to do so. It will be stated if the man is thought to have misconducted himself with a view to discharge.

That is an important thing, because you want to head those things off. Continuing:

In case of conviction by court-martial, or by civil power, in consequence of which the discharge of the man is desirable—

There again it is discretionary. Continuing:

"—the application will be made as soon as the man is sent to prison.

The discharge certificate, confirmed from the date of despatch, will be sent to the governor of the prison in which the man is confined.

You will observe there that it is again in the sole discretion of the D.O.C. and the C.O. to look at a man's record and to decide whether he should or should not be put out for misconduct.

By Mr. Viaw:

Q. The same as 1029 (7)?—A. Yes.

Q. What about 1029 (9)—A. 1029 (9) is this:

Having been sentenced to be discharged with ignominy. Discharge to be carried out and the discharge certificate sent to the governor of the prison. The discharge will be confirmed from the date of despatch.

You can understand there, of course, there is no discretion. It is a direction from the court.

Q. A court-martial?—A. Yes. That sentence is not known to any other tribunal.

By Mr. Fulton:

Q. May I ask this question. Is the old category of discharge, "unlikely to become an efficient soldier" still operative? Is that still a ground for discharge?—A. No. That was thrown away. I have not the date, but I think it was a couple of years ago.

Mr. MUTCH: About the end of 1942.

The WITNESS: A committee member suggests about the end of 1942.

Mr. CRUICKSHANK: It is a cinch it did not apply in some units up around here.

The CHAIRMAN: If there are no other questions—

Mr. ISNOR: Mr. Chairman, we have been dealing almost entirely with the one section of the bill. I was wondering if you were going to permit the members to deal with other sections of this proposed bill. I have particularly in mind gratuity that is paid to the dependants. I think I am safe in saying that all members have received large numbers of inquiries from parents as to the procedure being followed in connection with the payment of gratuities. I should like to have that procedure outlined. I think it would be helpful to the members and informative as far as the public is concerned.

The CHAIRMAN: Of course, it was the understanding that all of these various amendments should be considered by the committee, and that representations should be received on them from the various ex-service men's organizations. I certainly was hoping that we could get this bill back into the House next week.

Mr. ISNOR: It is definitely part of the bill. That is why I am asking about it.

The CHAIRMAN: That is what I say. Obviously we will have to consider each proposed amendment and hear any evidence that the committee wants to hear on it. That was, in fact, the decision of the committee. If there are no further questions for the brigadier—

Mr. FULTON: I have one further question.

Mr. ISNOR: Let us just get a ruling from you in this committee, Mr. Chairman. I do not know whether this comes directly under Brigadier Ferguson or the previous witness. I should think perhaps it might come under the previous speaker. I have reference to the payment of gratuities to the dependants.

Mr. GREEN: Mr. Chairman, is not the position that we were really dealing with a submission from the Canadian Legion?

The CHAIRMAN: Yes.

Mr. GREEN: And now, under that submission, we are dealing with one particular paragraph, one of the subjects they have raised. Should we not finish with the Legion submission?

Some hon. MEMBER: Yes.

The CHAIRMAN: Yes, I think so.

Mr. ISNOR: All right.

By Mr. Fulton:

Q. I wonder if I could put my question now. What I am trying to get at is this. You have outlined, as far as I gather, that in cases of misconduct it is left to the discretion of the C.O. and the D.O.C. as to whether or not they will try to salvage a man or whether they will discharge him. There are, I think, cases where a man has a long conduct sheet, and they really had two alternatives, discharge for misconduct or discharge on grounds of being medically unfit—misconduct under (7) or (8) and medically unfit under (10). Is that correct?—A. It is hardly correct. It might arise where no question of medical unfitness or fitness arises at all. It might be initiated by the platoon officer or the company officer and get through to the D.O.C. just as a straight misconduct discharge. A man gets very troublesome, and after a long series of convictions the company commander would come in to the C.O. and say, "Well, sir, there is no use in keeping this man on. He is misconducting himself all the time. He is just back this morning from 28 days and here he has hit the sergeant on the nose. Let us get him out." There is no question of medical grounds there at all; and in that case the D.O.C. himself makes the decision as to whether he is going to keep him in the army or discharge him for misconduct. There is no question of selecting between any other discharge.

Q. What I had in mind—and it is difficult to put in words—is this: In order to preserve a man's gratuity, under the present set-up if they want to preserve it, they are more or less bound to discharge him on the grounds of medically unfit. Is there any direction given to the officers commanding as to what principle will govern in the exercise of their discretion?—A. Well, there are instructions to all district officers commanding and to all depot commanders, that irrespective of a man's physical condition as found by a medical board, they must discharge under the true subsection of the order. That might arise in this way: a man is up before the C.O. or the D.O.C. to consider him for discharge for misconduct or having been convicted by the civil power, and the D.O.C. and the C.O. come to the conclusion that he should go out. Then, of course, when sending any man out of the army on discharge, you must put him before the medical board. They go before the medical board and they find that he is of a category that entitles the C.O. to discharge him as medically unfit. The orders that are in the hands of the D.O.C.'s and the C.O.'s and depots are these: They shall put on this discharge certificate the true reason of discharge. Just because they find that he is medically unfit as a side issue to a discharge for misconduct, they are not supposed to let him out as medically unfit. On the other hand, it has sometimes happened in that case, that the psychiatrist will say, "Oh, he is an S-5." The C.O. then says to the psychiatrist, "Has that state of his mind or his stability contributed to this conduct sheet to such an extent that we should put him out under (10) instead of under (7) or (8)?" Then the C.O. says, "Well, here is this order from headquarters; but I have the right to exercise my discretion. I am going to put him out under (10)." And that is perfectly within his rights; and it is just and I think it is fair.

By Mr. Viau:

Q. He cannot put him out under (10) unless there is a medical board.—A. I say that the medical board has sat on him and has found that he is of a category which entitles him to discharge on medical grounds.

By Mr. Whitman:

Q. Is that the case you spoke of, of that assistant instructor that was discharged S.I.W.?—A. No. With the C.O. there, so far as I know, no such question arose.

Q. You had a court-martial and he was discharged on medical grounds?—

A. I cannot say what was in the C.O.'s mind.

Q. I think Brigadier Topp mentioned that.

By Mr. Mutch:

Q. He had a physical disability as a result of a wound.—A. I cannot answer that.

Mr. FULTON: That answers my question.

By Mr. Mutch:

Q. Just one other question I want to ask Brigadier Ferguson. Are we correct in assuming this? You have expressed what is the army opinion with respect to the payment of these gratuities. Do you consider that the quality of service should be a factor in determining whether or not a man gets a gratuity, bearing in mind that it affects his re-establishment credit? Or do you think it is something to be considered apart from meritorious service?—A. No, sir; I feel that it follows as a result of paid service.

Q. That is meritorious service—A. Well, I prefer to call it paid service, because sometimes—

Q. Oh, well, we are all guilty.

Mr. VIAU: Mr. Chairman, I think having these representatives of the armed services here, we should get a clear definition of what misconduct is. That is the reason I wanted a clear definition of discharge under 1029 (7), (8) because we have reasons given which are identical to a certain extent, and even under 1029 (12). I remember one case of an Indian. We have a lot of Canadian Indians who served in the armed forces and served well. But in this special case, this chap enlisted as an active soldier, but every time he got the scent of the moccasin trail he disappeared and went to his reserve. He was brought back three times, court-martialed three times, and finally the ruling was "administrative discharge." The court-martial would not pronounce this. We had to refer the matter to Ottawa and they told us to discharge him under 1029 (12); yet he had been tried by court-martial, found guilty of absence without leave for 21 days.

The CHAIRMAN: We have filed with us the grounds for discharge in both the army and navy and I do not know what more we can do. Misconduct is defined in the proposed bill. It is section 1 of the bill which defines misconduct. That will be a matter for the committee to decide.

Mr. MUTCH: When we come to discuss the bill.

The CHAIRMAN: Yes.

Mr. MERRITT: In order to try and shorten the evidence I think we have had evidence now—and referring also to section 1 and sections 11 and 12 of the bill—that the reasons which deprive a man of his gratuity are discharge for conviction by court-martial which orders him to be discharged, discharge immediately by the C.O. or D.O.C. as a direct result of the court-martial and a third case of discharge where there has been no court-martial, where it is merely an administrative decision made by the district officer commanding. There are only 3 per cent of the total discharges involved in this matter over which we have taken two days. In my view we would probably arrive at the fairest possible result by having the most simple provision in this Act. If you refer to sections 11 and 12—

The CHAIRMAN: Mr. Merritt, if you are going to make suggestions as to the actual terms of the proposed bill I suggest that you wait until we get through with the evidence. Then we will have a discussion on the terms of

the Act. If I permit one member of the committee to make a submission as to his views now and restrain others it would not be fair. So I would ask that if there is going to be a submission made as to the terms of the proposed bill that you do not make it now because I have definitely tried to establish that we will proceed according to the rules laid down. Let us hear the evidence and then we will have a definite time set aside for argument.

Mr. MERRITT: I was going to make such a proposal but not with the object of putting it forward while evidence was being taken. My object rather was to avoid the necessity of taking any more evidence on this subject because the suggestion I was going to make would have obviated any more evidence on this particular subject of what is or what is not misconduct. I am entirely in the hands of the committee as to whether they are interested.

The CHAIRMAN: I was going to bring that up. We are through with Brigadier Ferguson. There are no other questions to be asked of him. There was one thing left more or less unanswered at the last meeting, a question asked of Commander Sutherland of the navy. There was some information which he said he would get. Is it your desire to have him complete his evidence? Then it seems to me we should be in a position to come to a decision as to what we will recommend in regard to this question.

Mr. GREEN: Brigadier Topp was to make a statement.

The CHAIRMAN: Yes. What I had in mind was we would defer making our decision until everybody had had a chance to consider the evidence that they have heard today. Then we could probably have that decision argued on Monday. That would take us through most of the bill except that we should hear the submission from these people who were working for the elementary flying schools. They want to make a personal submission. We could ask them to be here on Monday or Tuesday. Unless there is any member of the committee wants anybody else here as soon as we have heard that submission from the elementary flying school employees we could then launch into the actual consideration of the terms of the proposed bill.

M. GREEN: Could we have some representations about this last submission of the Legion? It has to do with overseas personnel of the auxiliary service organizations.

The CHAIRMAN: That will be the subject of the next bill which the steering committee said we would consider. I had in mind that we could have a definite submission on that as soon as we get through with this bill and get it into the House. There is a bill on that.

Mr. ISNOR: Which one is that going to be?

The CHAIRMAN: That will be the bill in regard to fire fighters and auxiliary service people. The auxiliary service people are covered by the proposed bill.

Mr. GREEN: They are not covered by the bill we are now considering?

The CHAIRMAN: No. I thought we should confine our hearings to this bill and get it into the House before we invited representations on the second bill. It is very important that we get some of these bills into the House. Do you wish to hear Commander Sutherland so as to finish his bit of evidence and then Brigadier Topp? Then if there is any other submission you wish to hear we will have to arrange for it to-day so that we will have it heard on Monday.

Mr. LENNARD: There is just one point to which I should like to make reference. Reference was made this morning to many who were discharged from the air force and who were later picked up by the army. I wanted to draw to your attention that many who were discharged from the air force and picked up by the army were honourably discharged by the air force.

The CHAIRMAN: There was a question asked on that, too. Now that it has been brought up the deputy minister has a statement on that which may as well be put on the record at once.

Mr. WOODS: Mr. Croll at the conclusion of yesterday's sittings asked a question as to the number of men who were discharged from one branch of the service for misconduct and were later admitted to another branch of the service. I made inquiry of all three services yesterday, and I should like to table this statement.

(See Appendix "B")

Mr. VIAU: That refers only to other ranks?

Mr. WOODS: The question was put as to the members. There was no distinction.

The CHAIRMAN: That includes officers?

Mr. WOODS: Yes. The question was as to all who served.

Mr. MUTCH: This only deals with those dishonourably discharged?

Mr. WOODS: Yes, that was Mr. Croll's question.

The CHAIRMAN: Discharged for the assigned reason of misconduct.

Mr. MUTCH: There are very large numbers who resigned on request in order to join another service.

Mr. WOODS: These are discharged for misconduct.

The CHAIRMAN: We will hear now from Lieutenant Commander Sutherland so that he may finish his evidence.

Lieutenant Commander J. A. SUTHERLAND, *Director of Rehabilitation, Navy*, recalled.

The WITNESS: I asked for a little time yesterday because I wanted to be absolutely certain of my facts in reply to this question. The reply is this: The director of naval pay and accounting is nominally responsible for deciding which cases should be referred to the board of review. To deal with applications for war service gratuities he has set up a war service gratuity section consisting of approximately 120 naval and civilian personnel, with an officer of the rank of Lieutenant Commander (S), R.C.N.V.R. in charge.

All applications for war service gratuities are initially dealt with by the records section where computers and checkers examine all data contained on the individual's service file and from that information compute and check the eligible service time for purposes of war service gratuities.

Where an officer or rating has been "dismissed" or "dismissed with disgrace" or where a rating has been discharged "services no longer required" or "absentee not claimed for further naval service" the file is passed to the officer in charge of the section and he automatically refers it to the board of review.

In cases where an examination of the file indicates that misconduct may have been the reason for discharge—I should like to emphasize it is where misconduct may have been the reason for discharge,—not where misconduct necessarily occurred at some time during service—the file is passed to the officer in charge. These are usually cases of officers discharged "resignation accepted" and ratings discharged "unsuitable", "fraudulent entry" or "service completed". The officer in charge examines the file and if it appears that misconduct may have been the reason discharge was approved refers the case to the board of review in accordance with section 15 of the war service gratuity regulations 1944.

If I may, Mr. Chairman, I should like to say one thing further, and that is that from this explanation you will understand that we refer all cases where the Act is mandatory and we also refer all cases where any doubt exists. In other words, we refer to the board of review a maximum number of cases. Mr. Winters made a point yesterday which appealed to me as a very important one, that there should be uniformity as to the consideration given within the service and as between the three services. I would suggest that if the procedure was the same in all three services that the maximum number of cases was referred to the board of review that you would then attain uniformity because the board of review would be the one authority considering all cases in which doubt existed.

The reason I make that suggestion is that I referred yesterday to the fact that earlier in the war our reasons for discharge were not very explicit. I have a good deal of personal knowledge of that fact because for two years I gave initial consideration to the recommendations for discharge which were submitted to the commander-in-chief, Canadian Northwest Atlantic. I must say there is really no limit to the combinations of circumstances under which discharge may be recommended, and that in some cases misconduct may be a contributing factor but is not necessarily the reason for discharge.

By the Chairman:

Q. You mean the assigned reason or the actual reason?—A. The actual reason, and I do feel that in order to attain uniformity that at some stage there must be some discretionary authority. I make that only as a suggestion. Our present reasons for discharge are sufficiently explicit that you could say that certain reasons for discharge were to be referred to the board of review and might be declared eligible or ineligible. Unless you refer also those cases in which doubt exists, such as people discharged early in the war as "unsuitable", in fairness to the men who have given service, you may be declaring eligible automatically some men who really were discharged for misconduct. I realize I may be inviting a barrage of awkward questions but I think that information should be before the committee.

The CHAIRMAN: No questions. Was it your understanding, Mr. Green, that Brigadier Topp had a further statement?

Mr. GREEN: I asked him two questions at the end of the hearing yesterday.

The CHAIRMAN: Are you ready to answer Mr. Green's questions?

Brigadier TOPP: Yes, I can do that.

Brigadier C. B. TOPP, Chairman, Board of Review, War Service Grants Act, recalled.

The WITNESS: Mr. Green and Mr. Pearkes asked two questions. As I understand it the first was whether there is any group or groups of cases that we thought should not be referred to the board of review. The answer to that is that there is no group or groups of cases, in my opinion, which we could suggest be not referred at the present time.

By Mr. Green:

Q. I was dealing only with cases that are referred to you now. I was asking if, in your opinion, any of the cases which are referred to you now should not be referred to you?—A. I understand that question clearly, yes. I might add that there is very close cooperation between the board and the three services with respect to what cases should be referred to us and, for a time, the army were sending us a very considerable number of files where the

cause of discharge was irregular enlistment of some sort. In many cases the individual had stated his or her age incorrectly, either below the real age or above the real age; in other cases they had refrained from disclosing some physical impairment which would have operated to cause their rejection. All these things are fraudulent enlistments in effect, I suppose, but the board reached the conclusion it would be improper to regard such a thing as irregular enlistment in itself as misconduct as contemplated by this legislation. We, therefore, suggested to the P.M.G. that in such cases he simply pay them automatically, unless in addition to fraudulent enlistment there were other facts which led him to believe that that existed. The Paymaster General accepted that suggestion and no such cases are now being referred. Those which are coming to us are in all instances in my judgment cases where there is a substantial doubt as to what ought to be done so long as the misconduct limitations are retained in the legislation.

The second question by Mr. Green was that I should outline any way in which it was thought that the discretionary power of the board should be extended. I should like, sir, if I may, to answer that question by stating perfectly frankly what I think would be a suitable amendment to the Act, and then to follow that by expressing my understanding of the purposes of the Act which led to my proposal that an amendment along this line would be helpful. I suggest, sir, that additions be made to new clause 12 (b) in the draft bill amending the War Service Grants Act as follows:

5. The Board may, with the approval of the Treasury Board, exempt any person from the operation of section eleven or section twelve of this Act in any case where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act.

and, sub-section 6:

6. Notwithstanding any stated reason for discharge the Board may decide that a member is not entitled to any benefits under this Act, if, in the opinion of the Board, the conduct of the member was such that the appropriate naval, military or air force authorities might have discharged him for misconduct.

I should like to state, sir, my understanding of the purpose of this bill, which I gained in the first instance from the explanatory note which was contained in the original bill when it was before the House of Commons at the last session and which states, "The purpose of this bill is to recognize the services of members of His Majesty's forces which have been on active service and to assist them in their re-establishment." I suggest, therefore, that two separate purposes, as I understand it, have been suggested here: the first is that it is a rehabilitation measure in the nature of a public obligation to assist the member of the forces to re-establish himself; and, second, that it is, as it were, a grant *ex gratia* for meritorious service. And now, basing my view on the expressed intent of the legislation it seems to me that the intent was a dual one, embracing both of those principles, and conduct during service was made a fundamental element of entitlement. I was told on assuming my duties, as were other members of my board, that our task would be really to assure that no injustice occurred to the member of the forces by way of refusal of benefits under this Act. Immediately on assuming our duties we were confronted with the need to make decisions on two specific questions: one was whether the member discharged for the stated reason, misconduct, was in fact guilty of misconduct as intended by this Act; secondly, we were required to decide whether a member discharged for a stated reason other than misconduct was in fact discharged because of misconduct within the meaning of the Act.

This matter was placed quite squarely on our doorstep by all three of the services, sir. The services were under no obligation to send us any cases whatsoever other than those in which there was a misconduct discharge. They did send us all those cases; and in all sincerity I am bound to say that the doubt which they entertained in that regard seemed to us to be a fully warranted doubt. If the discharge procedure, which Brigadier Ferguson so clearly outlined, had been effectively carried out, even in the bulk of the cases where misconduct was in doubt, we would have no difficulties at all; but without any reflection on the people who were carrying out these discharges, I think it may be realized that these officers in the districts across the country were dealing with tens of thousands of discharges from the army; and very frequently, gentlemen, we found as I said before, that where in the course of discharge proceedings some medical impairment is found, it is a very frequent circumstance that the discharge automatically goes forward by reason of that medical impairment without consideration of the misconduct factor. I do not want to go into the details of the quite numerous individual cases of that type, but there are some very, very bad ones. Such, for example, as the N.C.O. who was in charge of medical stores which included a large supply of narcotics. He was found guilty by civil court of theft of those narcotics. He in fact replaced in a glass serette morphine, I think it was, with strychnine, and if those stores had been drawn and used for the purposes for which they were intended, death would have resulted. And now, that chap was sentenced by civil court to six years in the penitentiary and he was discharged from the army on medical grounds, because of what the psychiatrist called, mild temperamental instability. He had a perfectly clear record previously. He had given good service. But here he was in a position of responsibility which he abused and which resulted, as I say, in his sentence to a term in jail. I think, as a matter of fact, his actual discharge from the army took place in the interval following his arrest and before the civil court proceedings had actually been completed. As a point of fact that soldier made his application from the penitentiary where he is to-day serving his six year sentence.

I suggest that in conscience the board could not refrain under that Act in numerous other types of cases from bringing to the notice of the responsible heads of the three services the fact that that type of thing existed, and that we entertained a very grave doubt whether it was ever the intention of the Act that payment should be made in these cases. The subject was gone into in great detail by the senior officers of every one of the services, including the most senior people in all these departments. It was gone into with the Judge Advocate General most exhaustively from the legal standpoint, and it was gone into by the Department of Justice with the same degree of thoroughness. It was decided that the only answer to the problem was to form a discretionary provision which would enable someone, the board or somebody else, to say when a man is entitled or when he is not entitled on the basis of the actual conduct record as disclosed in the file. I am rapidly coming to the conclusion that it would be better to do something along the line suggested by Brigadier Ferguson, that is pay absolutely everybody automatically less such forfeitures as may be required through non-productive service; but so long, gentlemen, as misconduct is a basis of entitlement to benefits under this legislation then someone somewhere ought to, in the interests of uniformity, equity and basic justice, have authority to say pay or don't pay.

These principles are contained in the British legislation which goes further than our 5 does. The conscientious objector, for example, is not entitled to benefits, and there is an admiralty regulation which sets out these same disentitling clauses and adds that gratuity may be refused in any other case in which in the opinion of the admiralty payment would be unjustifiable. I fancy that is arrived at from the same consideration I am trying to place before

you, that it is impossible to clearly define what misconduct is in such a way as to enable it to cover reasonably all cases. I might add that if it is felt that everyone should be paid irrespective of conduct then, coupled with that, it would be an excellent idea to abolish misconduct discharge certificates, because a document in the hands of the soldier bearing the word "misconduct" or "discharged with ignominy" or something like that, is the most inhibiting thing he can possibly have in seeking employment and so forth. In the very few cases where correspondence has come to the board from individual applicants there has been action or in cases where misconduct discharge has been carried out, the burden of the letter is usually: "Cannot something be done to change my discharge certificate? I do not care about the money coming to me under the War Service Grants Act, but this misconduct discharge is a blot on my record and when I go to get a job and have to produce this paper it hurts me."

Mr. Mutch: Mr. Chairman, I presume that as Brigadier Topp has made a further statement it is in order to question him in accordance with that statement. The first question which I had planned to ask him he has answered very fully—that is as to why his committee does seek the power to deny which is not presently in their Act, and the story he gave is broad because the exercise of the power of denial has been made very clear by him. I would like to ask him, however, is it not true that under the procedure as indicated to-day by Brigadier Ferguson the army does not now look behind the discharge certificate while the other two branches of the service do?

The Witness: I am bound to reply to that with perfect candour, Mr. Mutch, and to say this, that Colonel Wellwood explained clearly that the army, at least the P.M.G., is following exactly the same procedure that the navy and air force are following in that regard. As Colonel Wellwood said, they get the complete record of offences, punishment, absence without leave, and all that sort of thing, and if the offences are excessive, are such that raise a doubt, Colonel Wellwood does not say, "This man is not entitled to a gratuity"; he simply says, "I doubt whether I should authorize this pay"; and he sends it to the board of review. And so it comes upon our doorstep. We say that we have no power to do anything, and all we can do is to inform the proper authority that we do not feel certain in these cases that we can honestly say, "Pay this money," without an executive direction that the said policy be followed.

Mr. Mutch: Thank you, Brigadier Topp. I have one other question to ask. Is the amendment which you suggest to extend the power to grant a gratuity to a man who would normally be barred by the stated reason for discharge, you again reiterated the suggestion with regard to the suggested amendment of yesterday made by counsel for the department, that that power should be subject to approval by the Treasury Board; and before asking you why you thought that desirable I would like to ask this—perhaps I had better ask one question at a time.

The Witness: I should, perhaps, say that I am a public servant. I do not propose to be critical of the Treasury Board or anything of that sort. But with that reservation I think I should be perfectly frank in regard to that matter. As I said just now, the subject of what ought to be done with these doubtful cases has been a matter of most exhaustive consideration by the legal officers of the Crown and everybody else concerned, and I also said it was decided that some broad discretion should be produced. I was invited with the Department of Veterans Affairs and the J.A.G. and the Department of Justice to sit in on two conferences in connection with the drafting of a suitable amendment to the bill in that regard. I am not sure that I did not myself suggest that awards, where we propose in effect to go over the decision of a court-martial

or civil court, should be the subject of an award by order in council on the recommendation of the board. The draftsmen of the Department of Justice, I think, said that this would be a somewhat cumbersome procedure, so let us call in the Treasury Board instead. In other words, this inclusion of the Treasury Board was something that emanated out of a departmental conference, not a direction from any source whatsoever; and my suggestion about having these awards approved by order in council was based only upon the fact that we were seeking by order in council a very broad authority, including the paying of public money to persons who by a very mandatory provision of the Act were not entitled to receive it; and I thought that, if you like, the authority might be more readily available if it had a saving clause of that sort.

By Mr. Mutch:

Q. One other question: Is it not true that your board, as presently constituted, is only dealing with the so-called doubtful cases by consent, and that indeed such consideration is outside the terms of reference of your board? What is actually happening is that, as a result of departmental consultations, your board, without reference to any other board, has become the clearing house for the problems which each of the three different services has been unable to regularize themselves. What I mean by that, in order to make it just a little bit more clear, perhaps, is this. You have implied that in your reasons for suggesting that the board should have the power to continue that within the services; and you gave a specific case within the services where men have been given a discharge on grounds which, in the opinion of your board, effected inequality as between service men. Am I correct in saying that it is outside the terms of reference of your board, as presently constituted, and only by consent that you have knowledge of the circumstances which you describe?

Mr. GREEN: Oh, no. It is under regulation 15.

Mr. MUTCH: That is questionable.

Mr. GREEN: No. It is set out in regulation 15.

Mr. MUTCH: Well, that is the advantage of being a lawyer.

Mr. SINCLAIR: The only advantage.

The CHAIRMAN: It is set out in section 15. Brigadier Topp has referred to it; and they are supposed to make a decision on it.

Mr. GREEN: Yes, a clearing house is exactly what they are.

Mr. MUTCH: In effect, they are tidying up the other three departments. In other words, a board which was set up specifically to protect the interests of the discharged veteran, has become a sort of mediation board as between the three services.

Mr. GREEN: No. It was set up as a clearing house; and that is exactly what it is.

Mr. MUTCH: It was set up, if I understand it correctly, for the purpose of seeing that no veteran who might be entitled to benefits, would be denied them; and it is acting under the legislation, as you point out, in the dual capacity—a much more important capacity, as it turns out—of co-ordinating the services.

Mr. GREEN: It is a clearing house; and that is what it is meant to be.

The WITNESS: I think in answer to your question, Mr. Mutch, I should point this out. Section 11 of the Act, which covers officers, denies the benefits if the officer ceases to serve by reason of misconduct. Section 12, which applies to other ranks, denies benefits if the soldier is discharged for misconduct. If

we were operating on that in itself, we should have no difficulties. But in regulation 14, defining the word "misconduct", they define it by saying, "the stated reason, misconduct." They added, in other words, the word "stated" to what is said in the Act itself. By inclusion of that word "stated" the board of review is entirely deprived of the power, in a legal sense, to do what it is told to do in regulation 15. It is an anomalous position, which stems from the drafting of that definition. That is what we have been trying to get over. Our point has been that the Act means only misconduct. It does not mean what happens to be written down by the D.O.C. and the C.O. on the papers.

Mr. MUTCH: You look to the intent rather than the wording of the Act. That is the trouble.

The CHAIRMAN: Are there any other questions?

Mr. VIAU: I should like to refer to the report given by the deputy minister a while ago as to the number of personnel, officers or other ranks, dismissed or discharged for misconduct who re-enlisted in the army. I am speaking only for the army. He said the figure was nil. I know very well that is wrong. I think the deputy minister should request the director of records to make a further check of the documents and give a correct figure to this important committee.

The CHAIRMAN: What you have stated, Mr. Viau, will be looked into by the deputy minister.

Mr. WOODS: What I actually said, Mr. Chairman, was that the figures were not available. They can be procured. Any figures can be procured if time enough is given.

The CHAIRMAN: Gentlemen, there are just two things I should like to lay before you. The first is the last submission of the Legion, that re-establishment credit should be paid for the purpose of buying government annuities. I am advised that the reason that is left out of the Act is for some grave reason that has been advanced by the Department of Finance; and I suppose that the only proper thing to do is to hear those reasons as to why annuities cannot be purchased with re-establishment credit. So we shall try to have somebody from the Department of Finance here on Monday to give us those reasons.

The other question is one which I think it would be nice to have a decision on. The War Veteran's Gratuity Act is an Act making provision for gratuities to the armed services. The question is, if other people shall be brought under the benefits of that Act, should that be part of the War Service Grants Act or should it be part of a bill extending those rights that are contained in that bill to certain specified people? Should it be in the War Service Grants Act, or should it be in a sort of omnibus Act saying that this person or that person shall have the benefit of that particular Act which is primarily for the armed services? If it is the committee's decision that we will decide what particular people get the benefit of this Act, we can go right ahead and consider this Act after we have had this representation from treasury and perhaps some observations as to what the department is doing to try to get reciprocal arrangements, in regard to re-establishment, with the United States and United Kingdom. We could go right ahead with the drafting of the Act without hearing this submission that the civilian flyers should be brought under the Act until we consider the bill that we bring them under the Act. If on the other hand, we are going to have this provision that this one and that one shall have the benefits of this Act in the Act itself, we shall have to hear representations from the flyers, the fire-fighters and from all these others that they should be under the Act.

Mr. GREEN: Are the civilian flyers in that other bill which covers the fire-fighters?

Mr. WOODS: No.

The CHAIRMAN: No. But we could have an amendment to bring them into it. It is just a matter of whether you want to try to deal with all these people that will be brought under the Act, in the Act itself, or whether you give them that privilege by some Act definitely applicable to them.

Mr. WINTERS: Might I suggest in that case that this is a very broad problem. I think the flying instructors are just one specific instance, and probably they are brought in as an illustration. But every civilian serving in a military establishment I think is entitled to the same consideration. Should not the army engineering designing branch and the inspection branch of the United Kingdom and Canada, or our civil servants who are covering vacancies in military establishments be included? So I would think, if we are going to deal with it, we should deal with it separately and continue.

Mr. LENNARD: When?

Mr. WINTERS: That is not for me to say.

Mr. GREEN: That is not exactly right. With regard to these flying instructors, as I understand the Legion brief, the Legion people say that in some cases the men have joined the air force and then were drafted from the air force to the position of civilian instructors.

Mr. WINTERS: The principle is the same, I think.

Mr. SINCLAIR: At three times the pay in the air force.

The CHAIRMAN: Frankly, what I am afraid of is this. It is important that we get this bill through to deal with the armed services.

Some Hon. MEMBERS: Hear, hear.

The CHAIRMAN: After we get it through, then whether this one or that one shall get the benefits of it, will have to be considered by this committee. Whether that is even as important as dealing with the particular question of certain other things that apply to the armed services is another question. If we are going to go into an inquiry as to whether this one is going to be entitled and that one is going to be entitled we are not going to deal with the broad question of what we are going to do for the armed services at this session. We are going to bog down on whether this one should get into it and that one should get into it. My submission is that we should deal with the armed services in regard to the important matters and get these bills into the House of Commons, and then to what extent we let outside services have the benefit of these things we have done for the armed services that should be a matter which we can take up. That, I submit, is on the ground of trying to get something done.

Mr. BROOKS: We are a veterans' committee, and I think our first consideration is to deal with veterans' matters.

Mr. BELZILE: We have a very definite proposition before us from the Canadian Legion.

The Legion submits that the board of review, being comprised of members of the armed services appointed by the Department of National Defence, should have the power to direct the issue of suitably worded discharge certificates in appropriate cases, so that rehabilitation benefits can be granted.

I look at section 10 of this proposed bill and compare it with section 11 of chapter 51. Not a word has been changed in the writing of the bill. Let me read it:

- (a) He is cashiered or dismissed from the service by a sentence of a court-martial;
- (b) he is deprived of his commission or warrant by reason of misconduct;
- (c) he is called upon to retire or resign his commission or warrant by reason of misconduct;
- (d) his resignation is accepted by reason of misconduct.

Then we have section 12. So the only words in this bill that are added are the ones that are underlined. I have not much experience in committees, but I think we should come to some kind of decision on the Canadian Legion submission.

The CHAIRMAN: Mr. Belzile, we are hearing evidence now. The time will come when we will decide as a committee what we will recommend in the form of a bill to the house. This bill is only a draft bill which was prepared to assist the committee but it is not in any way binding on the committee. We will decide what we will submit to the house. When I saw this headed "bill" I was afraid that it would be misunderstood, but it is only prepared for the assistance of the committee so that we can get the work done as quickly as possible. If it is the feeling of the committee, we should try and put something through for the armed services as quickly as we can in regard to these items. Then after hearing from treasury or finance on this question of annuities, and perhaps having a statement from the deputy minister on the question of some reciprocal arrangement with other countries about re-establishment benefits it seems to me that we could hope to proceed with the consideration of the sections of the bill on Monday next. Is there any objection to that?

Mr. GREEN: Are there any other people wishing to make representations on this bill?

The CHAIRMAN: Not on the bill as it affects the services but the moment we hear from the civilian fliers that they should be brought under the bill I am certain that all these other people will want to make representations, and they have a right to make representations. It seems to me we should try and get this bill into the house as it affects the armed services. Then we will have an omnibus bill picking out this one and that one and saying that they should get the benefits, but whether we should start trying to deal with that question, whether that should have the right of way over the question, let us say, of the Veterans Land Act in its application to the armed services, which refers to thousands of people, is a matter for consideration.

Mr. GREEN: I do not think you are quite fair in that. Here is a bill which deals with gratuities and re-establishment. It is a very important question as to whether some of these people are entitled to benefits under that Act.

The CHAIRMAN: Oh, yes.

Mr. GREEN: Take, for example, the men who were with the Legion overseas as auxiliary services, and the fire fighters and also these civilian air instructors. I can quite see your point in deferring their case until we deal with the fire fighters bill, but now you are going a lot further. You are saying in effect we are not going to deal with those things at all until we deal with the Pensions Act, the War Veterans Allowance Act, the Veterans Land Act, and perhaps half a dozen others. If that is the attitude taken then we had better consider right now letter them make representations on each bill.

The CHAIRMAN: I said it is a matter for consideration by the committee. We have got such a short time if we are going to get something done this session that we have got to try and decide what is in the best interests of the greatest number of people. That is a matter for the committee.

Mr. GREEN: You will ruin the committee if you start trying to rush it. The committee is getting along very nicely. We are sitting four and five days a week, and I think we are making real progress, but the minute you throw out the idea you have got to rush this through and that through there will be trouble in the committee, and you will not get through half as fast.

The CHAIRMAN: I will certainly bow to your opinion, but is there any objection to the suggestion that we leave it to the steering committee as to what we shall take up next after we report this war service grants bill to the house, that the steering committee will try and consider what is most important to take up next after we get this into the house? Then it will be a matter of considering what it is most important to proceed with, and I would suggest that we actually try and consider this bill as soon as we have heard from the treasury and the deputy minister on Monday. Is there any objection to that?

Mr. Mutch: Before you decide on that, without more information I am not prepared to defer to either your opinion or Mr. Green's. I quite understood your original suggestion that it was a matter of the committee deciding whether or not those other than actual service personnel should be considered in this bill or in a separate bill. If this committee has the power to decide which way they are to be considered that is one thing. If, on the other hand, the legal department are going to say to us at a later date that these inclusions are simply modifications of this bill which we are now considering and should be dealt with as a part of it that is a different matter. If we are clear that they are provided for in other legislation then I am satisfied, but I do not want to report this bill and then find out we have got to bring it back and amend it to include others. What is the situation?

The CHAIRMAN: The situation is there is now in the hands of the committee a draft bill which might be considered next. That will be a matter for the steering committee to consider. It extends rights to fire fighters, supervisors under the Auxiliary Services Act. That is the mode of procedure. We give them certain rights under this draft bill. We give them rights under gratuities. We give them rights under the Veterans Insurance Act, and so on. The idea that I thought the committee might consider would be whether we would adopt that mode of procedure that we are adopting as to fire fighters and supervisors in regard to all civilians, try and deal with them as we have done there, and try and get this bill put through as affecting the service men.

Mr. GREEN: As Mr. Mutch says we are not in a position to form a judgment on that because we do not know the facts. I think probably in the long run that the committee would be further ahead if we did hear representations on Monday and get the background of the picture. Then we can go ahead.

The CHAIRMAN: Mr. Green, to answer that—

Mr. Mutch: Let me answer it.

Mr. GREEN: You need not worry about rushing to get the bill back into the House. The House has got plenty of things to keep it busy for the next couple of weeks. There is no need to have it get back there on Monday or Tuesday.

Mr. Mutch: I think, Mr. Green, you are over-emphasizing the suggestion of rushing the bill. I had not realized that these other groups were going to be dealt with in a separate bill. If that is the case there is no point, for instance, in hearing those who are to be dealt with in a separate bill in conjunction with this bill. If we have accepted that principle I see no objection to including civilian airmen in the same bill which deals with the others who are on all fours with them.

Mr. BROOKS: The point that confuses me, Mr. Chairman, is whether we are going to consider this bill as a separate bill dealing with the veterans matters entirely, or whether we are going to include these others. Are we to deal with this as a separate matter entirely? That being the case, I do not see that there is any necessity of hearing representations from the others.

The CHAIRMAN: The steering committee will go into that and report to the main committee.

Mr. MUTCH: I think that would be the better plan to follow.

The CHAIRMAN: Have you any objection to that, Mr. Green?

Mr. GREEN: No.

The CHAIRMAN: Then, gentleman, the committee stands adjourns until Monday morning next at 10.30 o'clock a.m.

The committee adjourned at 12.55 p.m. to meet again on Monday, October 22, at 10.30 o'clock a.m.

Notified in R.O. 4900

Office Consolidation

APPENDIX "A"

CANADIAN ARMY ROUTINE ORDER No. 1029 AND APPENDIX
AS AMENDED BY R.O. 4863

(This includes amendments up to and including 16 Sep 44)

1029—Discharges from Active Units of the Canadian Army —1029

Attention is directed to General Order 169 of 1939, as amended by General Orders 186 of 1940 and 39 of 1941, and 411 of 1944, relating to discharges from active units of The Canadian Army, which is published as an Appendix to this Order.

2. Routine Order 37, as amended, is hereby cancelled.
3. All references to Routine Order 37 contained in existing Routine Orders, etc., shall be construed as referring to the Appendix to this Order.
4. Para 12 of Appendix to this Order will be used only where a soldier cannot be discharged under any other para.
5. When personnel are discharged under para 5 of the Appendix to this Order "To return to civil life", the following qualifying phrases, where applicable, are to be inserted on the discharge certificate following the words "To return to civil life":—
 - (a) "On compassionate grounds" .. To be used where the AG has authorized the discharge on compassionate grounds.
 - (b) "His age or physical condition precluding his serving advantageously in the Army" To be used in the case of personnel for whom no suitable employment can be found because of age or low PULHEMS Profile where the Profile is not low enough for discharge as physically unfit.
 - (c) (i) "On demobilization" To be used in the case of discharge of such personnel as may be designated from time to time by the Adjutant-General.
 - (ii) "At his own request by reason of long service" ... To be used for a class or classes of personnel which may be designated by the AG in separate instructions.
 - (d) "To engage in work of national importance" To be used where the AG has authorized the discharge of personnel who have been enrolled or attested for the active unit of the Cdn Army and who come within the provisions of PC 2514 dated 3 Sep 39, and PC 2525 dated 5 Sep 39, also to those personnel required by the civil authorities or their previous employers to return to work of national importance.

APPENDIX TO ROUTINE ORDER No. 1029

Discharges from Active Units of the Canadian Army

The provisions of General Order No. 169 of 1939 as amended by G. Os. 186 of 1940, 39 of 1941 and 11 of 1944, are published hereunder for information:—

His Excellency the Governor in Council is pleased to order that the various causes of discharge in Canada from active units of The Canadian Army, and the competent officers to authorize, carry out and confirm discharges, shall be as set out in the following Table. The words in italics in column (1) shall be used in recording on the Discharge Certificate the cause of discharge.

Cause of discharge (1)	Officer competent to		Special Instructions (4)
	*Authorize discharge (2)	Carry out and confirm discharge (3)	

IRREGULAR ENLISTMENT

1. <i>Having been irregularly enlisted.</i>	D.O.C.....	C.O.....	When a recruit has been irregularly attested, i.e., when the current regulations for enlistment have been improperly or incorrectly complied with, a report of the case, together with the recruit's attestation paper, will be forwarded to the district officer commanding.
2. <i>Having made a false answer on attestation.</i>	D.O.C.....	C.O.....	When a soldier has been convicted either by court-martial or civil power under Section 33 or 99 of the Army Act, or disposed of summarily by his commanding officer under para. 459 K. R. (Can.) 1939, the district officer commanding will decide whether he is to be retained in the service or not. Full details with conduct sheets and copies of civil convictions (if any) will be submitted to the district officer commanding. This cause of discharge will be used when a misstatement has been made as to age, marriage, or number of dependents.
3. <i>Under 17 years of age at date of application for discharge.</i>	C.O.....	C.O.....	If the man is under 17 years of age the commanding officer will if satisfied that the birth certificate produced refers to the soldier in question, proceed with the discharge without further reference.
4. <i>Between 17 and 18 years of age at date of application for discharge.</i>	D.O.C.....	C.O.....	If between 17 and 18 years of age the application will be submitted for the decision of the district officer commanding, together with the following documents:— (a) parents' or guardian's application. (b) certificate of birth. (c) certificate that the commanding officer is satisfied birth certificate refers to the soldier in question. (d) soldier's duplicate attestation paper. (e) soldier's statement as to whether or not he wishes discharge. (f) report obtained by the commanding officer from reliable sources as to number and circumstances of soldier's family, if such is made a point in application for discharge.

Cause of discharge (1)	Officer competent to		Special Instructions (4)
	*Authorize discharge (2)	Carry out and confirm discharge (3)	

RETURN TO CIVIL LIFE

5. To return to civil life...	A.G.....	C.O.....	<p>Applies to:—</p> <p>(a) personnel discharged for compassionate reasons;</p> <p>(b) personnel for whom no suitable employment can be found because of age or low PULHEMS Profile where the profile is not low enough for discharge as physically unfit;</p> <p>(c) certain other personnel as may be designated from time to time by the Adjutant-General where the reason for discharge is not discreditable;</p> <p>(d) Personnel who have been attested and who come within the provisions of P.C. 2514 of 3 Sep. 39, and P.C. 2525 of 5 Sep. 39 and also to personnel required by Civil authorities or their previous employers for return to work of National importance.</p> <p>Suitable qualifying phrases to be added in brackets after the cause of discharge on the Discharge Certificate will be authorized from time to time by the Adjutant-General for use in those cases where he deems it necessary to add such qualifying phrases.</p> <p>NOTE.—Attention is drawn to para. 4 of R.O. 1029, setting forth the qualifying phrases referred to here.</p>
6. Spare.			

MISCONDUCT

7. Having been convicted by the civil power during his service.	D.O.C.....	C.O.....	<p>Every conviction of an offence of a felonious nature will be referred to the district officer commanding.</p> <p>Before discharge is authorized consideration will be given to the nature of the offence and the severity and length of sentence. Normally, in itself, a sentence of six months or less will not constitute cause for discharge.</p> <p>The discharge certificate, confirmed from the date of despatch, will be sent to the governor of the prison in which the soldier is confined;</p> <p>If it is considered desirable to discharge a soldier who has been bound over to come up for conviction or judgment in a civil court, the case will likewise be referred to the district officer commanding.</p>
8. For misconduct.....	D.O.C.....	C.O.....	<p>Application accompanied by Field conduct sheet (or copy) and copies of civil conviction to be made to the district officer commanding who will authorize the discharge if he thinks it desirable to do so. It will be stated if the man is thought to have misconducted himself with a view to discharge. In case of conviction by court-martial, or by civil power, in consequence of which the discharge of the man is desirable, the application will be made as soon as the man is sent to prison.</p> <p>The discharge certificate confirmed from the date of despatch will be sent to the governor of the prison in which the man is confined.</p>
9. Having been sentenced to be discharged with ignominy.	.....	C.O.....	<p>Discharge to be carried out and the discharge certificate sent to the governor of the prison. The discharge will be confirmed from the date of despatch.</p>

Cause of discharge (1)	Officer competent to		Special Instructions (4)
	*Authorize discharge (2)	Carry out and confirm discharge (3)	
INVALIDING			
10. <i>Unable to meet the required military physical standards.</i>	C.O.....	C.O.....	A soldier who is known to be physically unfit under the existing standards will be examined by a medical board; if the man is pronounced unfit, the commanding officer will authorize his discharge.
FOR THE BENEFIT OF THE PUBLIC SERVICE			
11. <i>For the purpose of being appointed to a commission or for the purpose of being appointed to a cadetship.</i>	A.G.....	C.O.....	Discharges under this sub-para. will only be specially authorized from time to time as occasion arises.
12. <i>His services being no longer required.</i>	A.G.....	C.O.....	Only applicable to a soldier who cannot be discharged under any other sub-para.
13. <i>For the purpose of enlistment in another force.</i>	D.O.C.....	C.O.....	Discharge will not be effected until assurance in writing has been obtained from the appropriate authorities that the soldier will be accepted for service in the Force concerned.

The discharge of a soldier from an active unit of The Canadian Army shall have effect as a discharge of such soldier from the Permanent Force or a reserve unit of The Canadian Army, if prior to his attestation in an active unit of The Canadian Army he was a member of either the Permanent Force or a reserve unit of The Canadian Army. Personnel having Permanent Force status may be discharged from an active unit of The Canadian Army for any reason set forth in K.R. (Can.) 372 which is not inconsistent with prevailing Active Service conditions.

A soldier of the Permanent Force will, on discharge from an active unit of The Canadian Army, be issued with a discharge certificate in accordance with K.R. (Can.) 376.

*The abbreviation "D.O.C." and the expression "district officer commanding" shall include the officer commanding an Active Division of The Canadian Army serving in Canada, not below the rank of Brigadier, and, the Officer Commanding Canadian Forces, Newfoundland, not below the rank of Brigadier.

2. The regulations made by Order in Council P.C. 2846 dated 25th September, 1939 (General Order 169 of 1939), as amended, are hereby made applicable to discharges carried out in the United Kingdom from active units of The Canadian Army, subject to the modification set forth hereunder:—

- (a) The officer competent to authorize discharge under clauses 1 to 8 and 10 to 13 inclusive, of the table included in the aforementioned regulations, shall be the Senior Officer, Canadian Military Headquarters, in the United Kingdom, not below the rank of Brigadier.
- (b) In column 2 of the table, the abbreviations, "A.G.", "D.O.C." or "C.O." shall mean "S.O., C.M.H.Q."
- (c) In column 4 of the table, the expression "district officer commanding" shall mean "Senior Officer, C.M.H.Q."
- (d) In column 4, clause 3 of table, for the last seven words read "submit the application."
- (e) In column 4, clause 10 of table, the expression commanding officer" shall mean "Senior Officer, C.M.H.Q." (H.Q. 54-27-47-1, F.D. 29)

APPENDIX "B"

DEPARTMENT OF VETERANS AFFAIRS

OTTAWA, ONT., 18th October, 1945.

Answer to question submitted by Mr. Croll yesterday.

Misconduct in the Service

Three question were put to the Services. The information is shown below:—

- (a) Number of men discharged for misconduct who have enlisted in another Force:—

Navy —No record.

Army —No record.

Air Force—16 to the Army.

- (b) Number of men discharged for misconduct who have re-enlisted in the same Force:—

Navy —Do not re-enlist such men.

Army —No record.

Air Force—No record.

- (c) Number of men with previous honourable service who subsequently have been discharged for misconduct:—

Navy —No record.

Army —341.

Air Force—No record.

2. Where no record is shown above, the information can be obtained but it would take about a month before being available.

About 6,000 cards and files would have to be examined and information compared with nominal rolls of the three Services.

3. The following figures show the total number of those discharged for misconduct, but whether they subsequently re-enlisted fraudulently or otherwise would have to be analyzed as in 2 above:—

Navy — 985.

Army —3,717.

Air Force—1,084.

W. S. WOODS,

Deputy Minister.

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

MONDAY, OCTOBER 22, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs.
Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs.
Mr. E. B. Anderson, Department of Finance.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 22, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item will be the answer to Mr. Harris' question showing the discharges for misconduct. So that every one here will have the figures before them they are as follows:

These figures are based on the numbers of soldiers' documents received by the Director of Records at Ottawa as at the dates shown. They are not the total number of discharges as some time elapses between the date a soldier is actually discharged and the time his documents are filed at the Records Office.

	(a) Indicating discharge for misconduct	(b) Total documents received incl. (a)	Per cent of (a) to (b)
Documents filed prior to 1 Jan. '45	3,035	177,462	1.7%
Documents filed after 1 Jan. '45 and prior to 30 Sept. '45.....	1,367	53,660	2.5%

The clerk has added these up and the total documents reaching the director of records up to the 30th September, 1945, is 4,402, the total number of discharges is 231,122, and the percentage covering the whole period is 1.9 per cent.

Hon. Mr. MACKENZIE: Are these discharges army only or all services?

The CHAIRMAN: It is from the director of records so it would be everybody, I take it.

Mr. CROLL: That about carries out Brigadier Topp's figure of 4,000 that he gave us originally.

The CHAIRMAN: That will go on the record. I have here a further submission from J. MacL. Murray, Air Commodore for the Chief of the Air Staff, making a further submission in regard to the bill that is now before us. Before we finally consider the bill and pass it I suppose we will have two or three meetings, so unless it is the wish of the committee that I read it I can just table this and it will appear in the record.

Some Hon. MEMBERS: Read it.

Mr. COCKERAM: It is not very long?

The CHAIRMAN: It is a page.

Mr. GREEN: Read it.

The CHAIRMAN:

1000-27-1 (DAF/F2-5)

October 20, 1945.

Chairman,
Special Committee on Veterans' Affairs.

Proposed Amendments to Draft Bill Amending
the War Service Grants Act, 1944.

1. It is considered that the following points should be covered in any legislation amending the War Service Grants Act, 1944:—

- (a) The definition of "discharge" and "service" should be clarified to include the proposed conditions of service during the transition period which provide that (i), personnel serving in the Interim Air Force will continue to accumulate war service gratuities until the 31st March, 1946, and (ii), personnel serving beyond the western hemisphere on August 31, 1945, who remain continuously on such service beyond March 31, 1946, will continue to accumulate war service gratuities while so serving.

It is considered that the war service gratuity should be paid as follows:—

- (i) To regular force personnel—on 31st March, 1946, or on termination of overseas service as provided in 1(a) (ii).
- (ii) To personnel serving in the Interim Air Force—at the time of their discharge therefrom or of their appointment to the regular force. This would prevent rehabilitation benefits being dissipated by Interim Force personnel while still serving.

Hon. Mr. MACKENZIE: Would you read that last part again, please?

The CHAIRMAN:

- (ii) To personnel serving in the Interim Air Force—at the time of their discharge therefrom or of their appointment to the regular force. This would prevent rehabilitation benefits being dissipated by Interim Force personnel while still serving.
- (iii) To all other personnel—at the time of their discharge.

It is important that it be made public as early as possible when these gratuities are to be paid in order to encourage personnel to purchase war bonds now out of the gratuities.

- (b) The words "joined, and" which have been inserted in line 3 of section 17 of the draft bill should be deleted as they deprive persons who joined other Empire forces prior to 10th September, 1939, of the benefits under the Act for their period of service in such forces.
- (c) The present wording of section 3 (3) of the Act is not considered adequate to cover cases of personnel who are repatriated, posted to a command for re-posting, and finally posted to a release centre for discharge. It is suggested that the subsection should provide that the pay and allowance in issue at the unit, establishment or ship where the member last served in his normal capacity or trade shall be used for the purpose of computing the overseas supplement.
- (d) Section 17 of the Act should be amended to extend the benefits provided thereunder so that in the case of such personnel who have died on service or after discharge, but before they have been paid the said benefits in full, payment would then be made to their dependents, provided the dependents are resident in Canada at the time of making application.

(e) It is pointed out that in the draft bill the explanation as to the intention of section 4 (5) is not correct. It should read as follows: "Intended to ensure that gratuity is paid to such other person as may be entitled thereto before it shall form part of the service estate where a person qualified to receive payment of gratuity dies before payment thereof in full." Section 4 (5) is in itself correct.

2. These matters are brought to the attention of the committee at this time so that they may be considered before the amended Act is finally approved.

J. MACL. MURRAY,
Air Commodore
for Chief of the Air Staff.

There are a couple of other things I wish to bring to the attention of the committee so they will have them in mind. We will probably deal with this in the steering committee and make a recommendation. I have a letter here from the Canadian Legion which I probably should read so that it will go on the record. I will state that I am advised they would like to make a further submission as soon as possible. They suggested Friday of this week. It is not in reference to the bill before us but in regard to the general submissions they wish to make. Their letter reads:—

Dear Mr. Tucker: There is one point regarding the War Veterans' Allowance Act that we have not touched upon because it might be considered part of a proposal which the Legion advanced to the Prime Minister about a year ago that some of the benefits which would have accrued to a deceased soldier had he returned home should be made available to his family. At that time we had in mind assistance to maintain the home, and extension of educational and vocational training when the orphans became of age to make use of same.

This is one of the proposals that is to receive the attention of our Dominion Council, but if the Re-establishment Credit were also to be made available to the bereaved family, then some change in the bill would be necessary.

I thought I ought to bring this to your attention so that the matter might receive consideration by the committee before the bill is reported to the House. You will realize, of course, that the principle involved will enter the discussions in respect to other benefits.

Yours sincerely,

J. C. G. HERWIG,
General Secretary.

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Mr. LENNARD: When will that be discussed?

The CHAIRMAN: That is the very point why I am putting it on the record because it will be discussed at the meetings on Tuesday, Thursday and Friday. That is why I am putting it on the record and reading it, so that it will be available to the members.

Mr. BROOKS: In connection with putting this on the record, Mr. Chairman, we have only got two reports so far of the minutes of these meetings. There are a lot of important things such as that amendment that you say you would like us to study. I was wondering if we could not get these reports published more quickly than we have because they are nearly a week behind every time. It is very difficult.

Hon. Mr. MACKENZIE: Why could not the organization themselves give a copy to each member of the committee?

Mr. BROOKS: Something should be done.

Mr. CRUICKSHANK: Give us a mimeographed copy.

The CHAIRMAN: The first report came out very quickly and the second one, too. I thought it would continue like that. I understood before we met today we would have all we had done right up to date.

Mr. BROOKS: I did, too.

The CHAIRMAN: There is really only one committee sitting and I think they should be able to do better by this committee than they have done. As soon as I found out we had not got the reports of Thursday and Friday I made a mental note to insist that we get them almost as regularly as *Hansard*. If we are going to work every day we have got to have them; that is all there is to it.

Mr. MUTCH: Before you begin the formal business of the day may I say that on Tuesday there are at least three committees sitting. That affects a large number of the members of this committee. Is there any prospect of us being able to sit on Wednesday on alternate weeks?

The CHAIRMAN: The understanding was we would sit on Wednesday if circumstances permitted. Of course, in order to do that we will take the opinion of the committee on Tuesday. Unless there is some obstacle our intention was to sit on Wednesday.

Mr. MUTCH: Almost every committee sits Tuesday.

The CHAIRMAN: It is hard to say ahead of time because Wednesday is the one day set aside for caucus, and we have got to pay some attention to other work. However, it will be a matter that can be discussed tomorrow. I am sure that the committee will be glad to hear about this item. I am not going to read the letter but it is signed by Mr. Baker, chairman of the National Council of Veterans' Associations in Canada. The member associations of that are the Canadian Corps Association, the Canadian Pensioners Association, of the Great War, the War Amputations of Canada, the Sir Arthur Pearson Association of War Blinded, and the Army and Navy Veterans in Canada. He states that they want to make a combined submission to this committee but they are not holding a meeting to prepare it soon enough to enable them to make the presentation before November 1. I have urged on them that they should get the presentation to this committee just as quickly as they possibly can. I told them I fancied that the steering committee would agree to hear them just as soon as they possibly could get their presentation in.

Mr. GREEN: You are putting that on the record?

The CHAIRMAN: No, I thought I would lay it before the steering committee. It is just outlining why they have not been able to make a submission before. They wish to have a number of their constituent associations here when they make the combined submission. I am sure that the committee would want that.

We have with us this morning Mr. E. P. Armstrong of the Department of Finance. The reason he is here is that when the bill was being drafted in regard to the re-establishment credits there was some suggestion that the Department of Finance wanted time to study the question of whether these credits could be used to purchase government annuities. On your instructions I got in touch with the Department of Finance and asked them to explain why they had that attitude. Mr. Armstrong is here, and I would ask him to explain to the committee the situation in that regard.

Mr. E. P. ARMSTRONG, Department of Finance, *called*.

The WITNESS: I will read this brief memorandum which I prepared, which outlines the situation, to the best of my recollection. There is a clear division between the principles underlying the two categories of benefits authorized under the War Service Grants Act. The gratuity is a bonus from a grateful country and is paid to those eligible with no strings attached. The Government assumes no responsibility as to how it is used and while, in most cases, it will be used in a manner which will be of material assistance to the veteran in re-establishing himself in civilian life, he is free to spend it as he wishes, whether it is in a fashion that helps or hinders his re-establishment. On the other hand, the credit is designed to fill out the program of controlled expenditure directed specifically to purposes calculated to put the veteran on the way to a sound and established position in civilian life, which was commenced with the passing of the Post-Discharge Re-Establishment Order and the Veterans' Land Act. The Government, therefore assumes a definite responsibility as to the purposes for which it is used. It was with this principle in mind that the Department of Finance questioned the use of re-establishment credits for the purchase of Dominion Government annuities when this proposal was included in the re-establishment credit regulations submitted to council by the Department of Veterans Affairs in January, 1945. There was some urgency in getting them approved, and the Dominion government annuity was included in them; and in our department we were not certain; it was not clear to us whether or not that would provide a means of saving, or a means of converting the credit into cash; and, consequently, until the situation was cleared away we asked that it be deleted and it was deleted in council.

Now, the facts with regard to Dominion government annuities, that is the relative ones in connection with this question, appear to be these:—

- (i) They have no cash surrender value.
- (ii) They may be either deferred or immediate annuities. That is, a deferred annuity is one which commences at a specified age. There is no specific age that you need to choose, it is up to the purchaser.
- (iii) The purchaser may change a deferred annuity to an immediate annuity at any time, provided he has sufficient principal to cover the minimum annuity of \$10 a year. That is, as it says, if a deferred annuity is purchased the purchaser may change that to an immediate annuity at any time.
- (iv) All annuities are payable for a minimum term of the life of the annuitant; that is, you cannot buy an annuity say for a specified term of five years, the minimum term must be life. It is a life annuity although you can have a guaranteed term which would extend beyond that period.

I discussed that briefly with Mr. Blackadar, of the annuities branch, and he advised me that it may be practical to include a special endorsement in contracts with veterans where re-establishment credit is used, where it will provide that the annuity is paid at a specified age; that is, he would not be able to change it once it is purchased.

And now, these are the facts of the situation as far as the Department of Finance is concerned. We were only interested in being assured that the principle of controlling that expenditure and credit, directing it to a use specifically in the interest of the man's re-establishment, is maintained. We wished to be assured that this particular bill would not enable a man to convert his credit into cash. I think that is all.

By Hon. Mr. Mackenzie:

Q. With these reservations the re-establishment credit could be used for annuities?—A. I would think there is not any very serious objection on the

part of the Department of Finance, having regard to the fact that the annuity must be a life annuity; and, secondly, I think it would depend largely on the administration, if it was felt that it was necessary or desirable to have a special endorsement on the contract; that, however, could be arranged.

By Mr. Mutch :

Q. Could you tell as what would be the advantage of a special endorsement on a life contract?—A. The only special advantage would be that we—I refer to the administrators under the Act—felt that it was not desirable that a man have his annuity commence immediately, that it would be suitable in the course of his re-establishment to provide some plan for his old age, but not an immediate annuity, if they felt that could be covered by a special endorsement.

By Mr. Green:

Q. What is the difference between a man spending his gratuity for the purchase of government insurance and spending it for the purchase of a government annuity? It seems to me in the one case he is protecting his family and in the other case himself; or he might not have any family at all, he might be getting it for himself. Why should he not have the right to buy an annuity just as much as the right to buy insurance?—A. I do not think there is any distinction made in our department on that account. Our only problem was whether in buying that annuity he was getting cash.

Q. Pardon?—A. Our only question was that in buying the annuity maybe he was getting cash. As I say, at the time it was considered we did not have all the relative facts before us. But one which I think is most important is that the annuity must be for life; that is, he cannot get an annuity and say he will take his credit as a Dominion government annuity and have that annuity payable over a period of say, two years. That would really mean that he was getting all cash in a very short period of time. He cannot do that. He would have to take it for life.

Hon. Mr. MACKENZIE: It is really for the protection of his family.

The WITNESS: Well, it is for his own protection, and that of his family.

By Mr. Adamson:

Q. Is not the purchase of a gratuity for all practical purposes a conversion of capital on hand into income?—A. What we are particularly worried about is this, that that credit should be directed to a man's re-establishment. Do not hand it out to him in cash so he can spend it as he wants to. We have a responsibility—the government has a responsibility—the administrators have—to see that that money is used to the best advantage in getting a man set up in a sound position in civil life. If you make the credit available for a purpose that he can turn around the next day and turn it over into cash, then, of course you have lost the principal.

By Mr. Cruickshank:

Q. What would be the objection to his doing that? A man could go out and buy furniture and then he could turn around as soon as it is paid for and sell it again if he wants to.—A. Undoubtedly if a man is just out to get around the regulations he can probably do so. But we feel that the credit is provided for a specific purpose, and that purpose was not to give him the equivalent in cash. As you know, The War Service Grants Act does make some attempt to assure that the money is used for a genuine purpose, such as the purchase of furniture when he is genuinely in need of furniture.

By Mr. Mutch:

Q. Supposing a veteran bought a life annuity and only lived a couple of years, there would be a considerable balance, would there not? What would you do with that?—A. Unless it was guaranteed for a term of years it would die with him.

Mr. MUTCH: Of course, you can buy a life annuity for so many months certain—240 months, that is twenty years; or 120 months, that is ten years—in which case it would be paid to his estate in continuation of the contract. I presume it is natural to suppose that the same terms and conditions would apply to the purchase of annuities of this type as would apply to any other annuity form of contract.

Mr. WOODS: I think the statement made by Mr. Armstrong this morning is a very satisfactory one. He has stated after looking into it and discussing it with the annuities branch of the Department of Labour they realize that a man cannot cash in on an annuity, that is to say if the annuity is extended over his life time in any event. Let us say for example, if a man buys an annuity today for \$1,000, that is based on his expectation of life; and if he converted it from a deferred annuity to an immediate annuity, he would receive only about \$50 a year.

The WITNESS: Depending on age.

Mr. WOODS: I am taking a man of 30 years of age. Take the case of a man who uses his re-establishment credit for the purchase of veterans' insurance. As you know, after two years that insurance has a cash surrender value and he can surrender the policy after he has paid in premiums for two years. I think the statement made by Mr. Armstrong here this morning is very satisfactory; they do not see now the objections they envisaged at first.

Mr. GREEN: How would you suggest that this amendment be worded?

The CHAIRMAN: Just include it.

The WITNESS: I would think you would simply include it as a purpose for which credit might be made available.

Mr. GREEN: Without any strings.

The WITNESS: I should think so. The committee would have to decide whether it was advisable to attach any strings to it.

Hon. Mr. MACKENZIE: That could be done by regulations under the Act.

The WITNESS: Yes, the federal regulations. I would imagine myself that it would be desirable to have things so arranged that the administrators under the Act would have a considerable amount of leeway in cases where they are preparing to make credit available for use for this purpose.

By Mr. Marshall:

Q. Have you many applications?—A. I do not know.

Mr. WOODS: We have had not a large number; but we have five for example in Montreal in a comparatively short time.

Mr. GREEN: Mr. Woods, in the case of a man coming back and being discharged from the forces, the annuity would not be of very much value to him, would it, because it would take a considerable amount of money to assure him an annuity in any substantial amount, would it not?

Mr. WOODS: That is true, unless it is deferred. If he takes it at age 30, payable at age 65, it would be a fairly substantial payment; but if he converted it to an immediate annuity and started payments now it would be a comparatively small amount he would get each year.

The CHAIRMAN: I may say that I have had representations; I have received several letters from people who want to use their credit in this way, and I think a soldier should have that right if he wishes to have it.

Mr. BROOKS: May I ask what interest would you pay? Suppose they take it out at age 30 payable around age 60, what interest does the government pay on that amount over the period from age 30 to the age of maturity?

Mr. WOODS: It is computed on an actuarial basis which takes a number of factors into consideration. For instance, those who die before the annuity matures—however, as to the amount of interest, I am not sure.

Mr. GREEN: What becomes of the residue?

Mr. WOODS: Unless it is payable for a guaranteed period it dies with him. I should mention, Mr. Chairman and gentlemen, the applications for these annuities are for the most part coming from nursing sisters. They do not want furniture. They do not want tools of the trade or a lot of things mentioned in the re-establishment credit provisions; these applications have come mainly from nursing sisters, elderly women who want to provide for their old age.

The WITNESS: I would not like to say definitely, but I believe the calculation is on the basis of 4 per cent.

Mr. CRUICKSHANK: With regard to these applications in Montreal, I never heard of any large number from other parts of the country.

Mr. WOODS: Colonel Hogan, of our re-establishment division is here. Colonel Hogan, have you with you the number of applications which have been received for annuities? Could you tell us that?

Colonel HOGAN: Not offhand, sir. I may say, however, that it is less than 1 per cent of all the applications.

Mr. CRUICKSHANK: That is not very much. Have they included any from the west?

Mr. WOODS: I do not think we can tell as to that, except that I might say that most of them appear to be for deferred annuities rather than immediate annuities.

The CHAIRMAN: The reason it is before you, gentlemen, is that this is the Legion brief and it urges that this be one of the purposes for which credits can be used.

Mr. CROLL: And the department says it is quite satisfied, so there is nothing else to it.

The CHAIRMAN: Yes.

Mr. WINKLER: The same principle would apply to buying annuities, you can always bring them forward; that is ex-service personnel could start an annuity and bring it forward?

Mr. WOODS: Yes. That is, there is a provision, I think, with respect to all annuities that you can bring them forward. If the committee decides to confine credits to deferred annuities, provision would have to be made; and Mr. Armstrong told us this morning that he has been informed by the Department of Labour that a policy can be endorsed so that it is not convertible.

Mr. BENIDICKSON: If a person already had a term government contract, his re-establishment credit could be applied to that; he could use that to add to it, could he?

Mr. CROLL: Yes, certainly.

The CHAIRMAN: If you made it one of the purposes for which his re-establishment credit could be used, I take it that you could do that, but at the present time you cannot.

Mr. COCKERAM: And the maximum annuity at the present time is \$1,200?

The WITNESS: Yes.

Mr. WOODS: And the maximum re-establishment credit is about \$1,200.

Mr. COCKERAM: He can not purchase much of an annuity with that anyway.

Mr. MUTCH: A good many of these annuities are bought on the instalment basis, and it might easily be of advantage to a man in re-establishing himself to make these payments by using his credit for that purpose. Even if the limit is \$1,200, it would be of some assistance in helping him to provide for his old age.

The CHAIRMAN: Gentlemen, we have heard the deputy minister. When we consider re-establishment credits Colonel Hogan will be available, and we have the solicitor for the department, as we consider this bill. So far as I know, there are no more submissions now to be made, and the question is whether we may now proceed with this actual bill. Experience in the Banking and Commerce Committee indicated to me that if we wanted to make real headway, it was a good thing to pass the sections that were non contentious. If there was any one who had anything to say about any section, we just marked it "contentious" and passed on; then we came back again and took the contentious sections one by one. That worked out so well in the Banking and Commerce Committee that I throw it out as a suggestion to this committee. Would that procedure be satisfactory?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Then I will declare that suggestion carried, and we shall proceed to consideration of section 1 of the bill. I think the best thing to do is take it item by item. It is enacting section 2 of the Act. Subsection (a)—could we consider that carried?

Mr. GREEN: Could we read it over?

The CHAIRMAN: Yes. Subsection (a) reads: "'Board' means the Board of Review established by this Act."

Mr. MUTCH: As amended. It will have to be now, having regard to the minister's proposition.

The CHAIRMAN: Yes, as established by the Act; and the Act, of course, will lay down how it should be made up.

Mr. MUTCH: All right.

The CHAIRMAN: So we can consider that carried. Then subsection (b): "'business' includes live stock raising, dairying, fruit growing and all tillage of the soil."

Mr. WRIGHT: Would live stock raising include fur farming?

The CHAIRMAN: I myself thought that was unduly restrictive. I had a note made opposite it myself, and I think we can allow it to stand.

Mr. MUTCH: Stands.

The CHAIRMAN: Because of the suggestion that it may be restrictive, and we may hear from Mr. Woods on that. Then subsection (c), "'credit' and 're-establishment credit' mean the credit provided for under part II of this Act."

Mr. MUTCH: Carried.

The CHAIRMAN: Carried.

Mr. BROOKS: Why is not fishing included in (b)?

The CHAIRMAN: I think it should be, and so we allowed it to stand. Then subsection (d): "'dependents' allowance' means the marriage allowance and dependents' allowances prescribed by regulations made by the governor-in-council pursuant to the Naval Service Act, the Naval Service Act, 1944, the Militia Act or the Royal Canadian Air Force Act, as the case may be."

Mr. GREEN: That is just copied from the present Act.

The CHAIRMAN: Yes. Carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Subsection (e): "‘discharge’ means ceasing to serve on active service in the forces since the tenth day of September, one thousand nine hundred and thirty-nine, and ‘discharged’ has a corresponding meaning."

You will remember the submission from the air force which I read to you this morning suggesting that people who went overseas, as an example, to serve in the R.A.F. would not get the benefit of the time they served in the R.A.F. before September 10, 1939.

Mr. CROLL: Stands.

The CHAIRMAN: As we should discuss that, we will let it stand.

Subsection (f): "‘deceased member’, includes a member of the forces who for the purpose of the force in which he served is officially presumed to have died." Carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Subsection (g): "‘educational, vocational or technical training benefits’ means vocational training or university grants, including tuition fees, students’ fees, athletic fees and all other costs or charges of vocational and technical training or university or other courses, to which members of the forces are entitled under the laws of Canada, except such similar benefits as are provided by order in council, P.C. 4465 of 13th June, 1944."

Mr. CROLL: What is that?

The CHAIRMAN: I think that would require some explanation and we can mark it "Stands".

Mr. GREEN: There is one thing about this bill. In that particular section, there is reference to an order in council.

The CHAIRMAN: Exactly.

Mr. GREEN: It seems to me that is poor draftsmanship, because nobody has these orders in council available for consideration; and if you look at an Act with reference to P.C. 4465, you might as well refer to something in Chinese.

The CHAIRMAN: Yes. That is the way it struck me, and that is why I suggested it should stand. I am glad you mentioned the point. The subsection stands.

Subsection (h): "‘forces’ means the naval, military, or air forces of His Majesty raised in Canada."

Mr. CROLL: We amended that.

The CHAIRMAN: Stands.

Mr. MUTCH: And how!

The CHAIRMAN: Subsection (i): "‘gratuity’ and ‘war service gratuity’ mean the gratuity payable under Part I of this Act."

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Carried.

Subsection (j): "‘home’ means a house or building intended for human habitation and owned solely by the member or his spouse or jointly by him and his spouse and used or to be used by the member as his dwelling, together with the land upon which it is situated, including, in the case of a farm, land used therewith for the purpose of farming."

Mr. CRUICKSHANK: Stands.

Mr. CROLL: That has great implications. You had better let that stand.

Mr. CRUICKSHANK: That is liable to lead to trouble.

The CHAIRMAN: The subsection stands.

Subsection (k): "‘home extension loan’ has the same meaning as in The National Housing Act, 1944."

Mr. CROLL: What does that mean there?

The CHAIRMAN: I think we had better have that stand also.

Mr. GREEN: Why should not the same definition be inserted there instead of referring to another Act?

The CHAIRMAN: That is an idea.

Mr. CRUICKSHANK: We do not know what it is.

The CHAIRMAN: So we will let it stand. Subsection (l): "‘home improvement loan’ has the same meaning as in the National Housing Act, 1944."

Mr. MUTCH: Stands.

The CHAIRMAN: Stands. Subsection (m): "‘member’ and ‘member of the forces’ mean any person who was on service in the forces during the war which commenced in September, one thousand nine hundred and thirty-nine, and include any person who served in the Canadian Women’s Army Corps since the thirteenth day of August, one thousand nine hundred and forty-one." I think that stands.

Mr. MUTCH: Stands.

The CHAIRMAN: Stands. Subsection (n): "‘minister’ means the Minister of Veterans Affairs." Carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Carried. Subsection (o): "‘misconduct.’" That stands.

Mr. VIAU: Yes, stands.

The CHAIRMAN: "Overseas service", subsection (p) is next.. That stands. It will require some discussion, I suppose. Then subsection (q): "‘pay and allowances’ includes dependents’ allowance together with all other allowances calculable and payable on a daily basis except (i) kit upkeep allowances; (ii) underclothing allowances; (iii) travelling allowances; (iv) lodging and provisional allowances or subsistence allowance as the case may be in excess of the standard rates payable in Canada at the date of discharge; (v) any special allowance payable overseas but not payable in respect of service in Canada." Is that carried?

Mr. MUTCH: No.

Mr. GREEN: No. We had better find out what it is all about.

Mr. MUTCH: I think that had better stand. That has a lot of this W.A.C. stuff in it.

The CHAIRMAN: All right; stands. Then subsection (r): "‘purchase of a business’ includes the purchase of an interest in an existing partnership and the advance of capital for a new partnership, if the partnership business is to be the main occupation of the member and he intends to participate actively in that business." Is that carried?

Mr. CROLL: No. Just a minute. It says, "includes the purchase of an interest in an existing partnership and the advance of capital for a new partnership." Suppose it is not a partnership?

Mr. BROOKS: Exactly.

The CHAIRMAN: It is an extension. Prior to this it could not be used to go into a partnership business.

Mr. CROLL: All right.

Mr. MUTCH: I think it had better stand.

The CHAIRMAN: Stands. Then subsection (s): "‘service’ means time served on active service in the forces," and so on. I think we had better let that stand also. Then subsection (t): "‘Western Hemisphere’ means the continents of North and South America, the islands adjacent thereto and the territorial waters thereof, including Newfoundland, Bermuda and the West Indies, but excluding Greenland, Iceland and the Aleutian Islands."

Mr. MUTCH: Stands. Newfoundland has to be discussed.

The CHAIRMAN: Stands. Then section 2 of the bill:—

Section 3 of the said Act is repealed and the following substituted therefor:—

3. (1) Subject to the provisions of this Act, every member of the forces shall, upon discharge, be entitled to be paid a war service gratuity at the rate of seven dollars and fifty cents for every completed period of thirty days of service, and an additional sum of twenty-five cents for every day of overseas service which falls within such periods.

(2) In addition to the amounts mentioned in subsection one of this section, every member of the forces whose service includes overseas service shall, upon discharge, be entitled to be paid for each period of one hundred and eighty-three days of overseas service and proportionately for any less period, an amount computed on the basis of seven days' pay and allowances that were payable to or in respect of him at the date of discharge.

Mr. MUTCH: What does that mean?

The CHAIRMAN: That just outlines that he gets \$7.50 a month for home service; and instead of having that \$7.50 for each month, it is put on a daily basis for ease of calculation. The only thing there that comes into the question, as I see it, is the suggestion, "payable on discharge." Of course, in view of the submission we got this morning that, in the case of people going into the interim air force, it would be payable at the end of their period of service in that air force, if we acceded to that we might have an amendment.

Mr. MUTCH: It had better stand.

The CHAIRMAN: Stands.

Mr. GREEN: We should have said "stands" at the beginning.

The CHAIRMAN: I think we might mark subsection (3) to stand.

Mr. CROLL: It is always easy to do that.

The CHAIRMAN: Because that brings up the same question.

Now we come to subsection (4) which reads:—

For the purposes of this section the expression "pay and allowances" includes (a) in the case of a member of the naval forces, lodging and provision allowances, and (b) in the case of a member of the military or air forces, subsistence allowance at the standard rates payable in Canada; notwithstanding that at the date of his discharge he was not receiving such allowances.

Mr. MUTCH: Carried.

The CHAIRMAN: Carried. Subsection (5): "A period of overseas service shall be deemed to commence on the day the member is posted to the strength of an overseas unit, establishment, or ship and to conclude on the day he is taken on the strength from overseas."

Mr. CRUICKSHANK: Does that mean if he never goes overseas?

The CHAIRMAN: No. It says that the period of service shall be deemed to start on the day he is posted to the strength of an overseas unit and it ends on the day he is taken on strength from overseas.

Some Hon. MEMBERS: Carried.

Mr. BROOKS: I think your point, Mr. Cruickshank, was "Suppose he was posted to an overseas unit and does not go over."

Mr. CRUICKSHANK: Where he never goes over at all.

Mr. MUTCH: He has no overseas service.

Mr. CRUICKSHANK: I should like to be clear on it. It says the date he is posted. We all know men who have been posted and who have never gone overseas.

The CHAIRMAN: I think we will let it stand. The purpose of having these stand is so that the various officials can see the case they are going to have to meet, and they can prepare for it. Then the next subsection is (6): "A period of temporary duty overseas shall be deemed to be a period of overseas service and to commence on the day of proceeding from the parent unit, establishment or ship and to conclude on the day of the return thereto."

Some Hon. MEMBERS: Carried.

Mr. GREEN: Then if a man is posted from, say, Prince Rupert and proceeds from Prince Rupert and then is delayed for six months in Windsor, Nova Scotia, all that period counts. Is that the idea?

The CHAIRMAN: I do not think that is the idea at all.

Mr. Mutch: That is the idea, but it does not work that way.

The CHAIRMAN: Stands. You see the point that is raised there, Mr. Green. Then Section 3 of the Bill. "Section four of the said Act is repealed and the following substituted therefor:—

4. (1) If a member of the forces dies on service or after discharge but before he has been paid gratuity in full, payment of the gratuity or the unpaid balance thereof shall be made: (a) to a person who was in receipt of—

and so on. Is there anybody who wants to discuss this?

Mr. CROLL: Oh, yes.

The CHAIRMAN: Then it stands.

Mr. LENNARD: Does not this part apply to the question that was brought up earlier this morning by the Canadian Legion?

The CHAIRMAN: Yes.

Mr. LENNARD: Therefore, it should stand.

The CHAIRMAN: Stands. That is subsection 4 (1). I think we may as well let the whole section stand.

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Then section 4 of the bill: "Section five of the said Act is repealed and the following substituted therefor—

Mr. QUELCH: Stands.

The CHAIRMAN: Stands. Section 5 of the bill: "Section six of the said Act is repealed."

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Carried.

"Section 7 of the said Act is repealed and the following substituted therefor:—

Payment of war service gratuity shall be made in monthly instalments payable in arrear not exceeding the amount of pay and allowances to or in respect of the member of the forces for the month immediately preceding his discharge.

That raises that question again.

(Stands)

Section 8 of the said Act is repealed and the following substituted therefor:—

Subject to the provisions of this Act, every member of the forces who does not elect to take benefits under the Veterans' Land Act, 1942 . . .

That brings up the question of whether a person gets a loan; whether he gets any grant. That is bound to stand.

(Stands)

Section 9: We can carry some of these, I take it.

All or any part of the re-establishment credit may, within a period of ten years from the first day of January, one thousand nine hundred and forty-five, or the date of his discharge, whichever is the later, be made available to or for the member of the forces eligible therefor when it is shown to the satisfaction of the minister that such credit is to be used for:

Can we carry that part so far?

Mr. GREEN: What about "satisfaction of the minister?"

Mr. Mutch: It is simply a matter of discretion.

Mr. GREEN: Is there no way to get around that?

Mr. Mutch: Would you remove the discretion and just make it mandatory? That is the alternative, is it not? If we remove all discretion we must make our list of things for which it is all-inclusive.

Mr. GREEN: I am wondering why it is necessary to put that in, and if it would not be better if it said, "for the member of the forces eligible therefor when such credit is to be used for:"

The CHAIRMAN: That is the same as the original statute.

Mr. GREEN: The original statute is not a model of draftsmanship; it was rushed through in a day or two.

The CHAIRMAN: If we lay down the principles it is up to the administration to carry them out. "To the satisfaction of the minister" is a redundancy.

Mr. GREEN: I think that should be checked. I doubt whether it is wise.

The CHAIRMAN: We will have it stand. I think we can find out the reason.

Mr. Brooks: We have to show to the satisfaction of the department or someone how it is going to be used; it is a question of to whom it is going to be referred.

The CHAIRMAN: I think that is taken for granted in every Act—that a person has to qualify under the Act.

Mr. GREEN: It is not ordinarily put in the Act that it must be used to the satisfaction of a particular person.

Mr. Mutch: That may be, but if you eliminate that you will restrict the application of it; then you force us in the Act, or force someone under the Act, to name all the things for which it can be used.

Mr. GREEN: No, I do not think so; you are restricted anyway.

Mr. Mutch: No. No. 10. However, let it stand.

The CHAIRMAN: We could take the various sub-items.

(a) the acquisition of a home.

(Carried)

Mr. Jutras: In (1) there is reference to the National Housing Act.

The CHAIRMAN: It might be safe to say "the acquisition of a home" and let it stand.

(Stands)

(b) the repair or modernization of his home.
(Carried)

(c) the reduction or discharge of indebtedness under any agreement for sale, mortgage or other encumbrance on his home, in an amount not exceeding twice the amount that the member himself simultaneously contributes to such purpose.

Mr. CROLL: With regard to (b) I think we are a little hasty on that with regard to the term "his home".

The CHAIRMAN: His home is defined.

Mr. CROLL: Where?

The CHAIRMAN: We will let that stand. We will have the idea of his home defined; when we do that it should be carried. We will let (b) stand and take up (c) which I have just read and which we are going to define.

Mr. GREEN: That is new, is it not?

The CHAIRMAN: It was in the old Act. It may be more inclusive.

Mr. GUNN: It is not quite correct to say it was in the old Act; it was an order in council; it is the present law.

Mr. BROOKS: I do not see why it should be twice the amount.

The CHAIRMAN: He has to put up one-third of the amount.

Mr. GREEN: I think these sections are very important and should not be put through now.

(Stands)

The CHAIRMAN:

(d) the purchase of furniture and household equipment for his domestic use in an amount not exceeding two-thirds of the purchase price of the furniture or household equipment or the payment of the full cost of repair of such articles;

Mr. QUELCH: Why two-thirds?

(Stands)

The CHAIRMAN:

(e) the provision of working capital for his profession or business;
(Carried)

(f) the purchase of tools, instruments or equipment for his trade, profession or business or the cost of repair of such articles;
(Carried)

(g) the purchase of a business by him in an amount not exceeding two-thirds of the difference between the purchase price and any indebtedness incurred for the purpose of the purchase of such business, if the payment of such difference entitles the purchaser to immediate possession;
I think that brings up the question of two-thirds.

(Stands)

(h) the payment of premiums under any insurance scheme established by the government of Canada, including:

Mr. GREEN: That had better stand. There is one thing I would like to ask the officials to check up on and that is the possibility of a man who is in the forces and who wishes to continue in the permanent force applying his gratuity on his pension as a member of the permanent force.

Mr. MUTCH: Can he use it to buy his way out? That is another question that comes up.

(Stands)

(i) the purchase of special equipment including instruments, books, tools and other equipment required for educational and vocational training other than educational and vocational training provided by the laws of Canada for members of the forces;

(Stands)

(j) any other purpose authorized by the Governor in Council.

Mr. CROLL: That is very good.

(Carried)

The CHAIRMAN: Here is the prohibition of buying furniture and using money and the right of repossession. I think somebody will want to discuss that.

(Stands)

Sections 10 and 11 will stand.

Section 12: I think that stands. It brings up the question of the proposed amendments.

Section 13: "(1) If a member of the forces, before he has been paid or granted all or any part of the gratuity or credit is reappointed to or re-enlists in the forces, the balance of such gratuity or credit remaining unpaid or not granted shall not be paid or granted to such member until his subsequent discharge at which time he shall be entitled to be paid or granted such gratuity or credit or the balance thereof in addition to any further gratuity or credit to which he may be entitled under this Act by reason of his subsequent period of service."

That deals with the very thing that was suggested to us, that the man does not get the money until he gets out of the service.

Mr. CROLL: I think we are going a little too fast.

The CHAIRMAN: All right, stands.

Subsection (2) had better stand.

Now, here is the question of serving in other forces. I am sure the committee will desire to have that stand.

(Stands)

That brings up the question of the value of credits paid by other governments. Is there any possibility of that carrying?

(Stands)

Then comes the question of immunity. I think we can carry that.

"No gratuity payable or credit available to a member of the forces or his dependents shall be subject to attachment, levy, seizure or assignment under any legal process, or to taxation, nor shall any such gratuity or credit or any portion thereof, be assigned, charged, anticipated, commuted, given as security or otherwise dealt with prior to its being paid or credited to the member or other person entitled thereto, and any purported assignment, charge, anticipation, commutation, or other transaction relating to the gratuity or credit made, entered into or completed contrary to the provisions of this section, shall be wholly void and of no effect."

Mr. GREEN: Why was that new part added to the section?

The CHAIRMAN: To make it very definite.

Mr. GREEN: They must have had some cases.

Mr. WOODS: There have been unscrupulous dealers getting the boys to sign up contracts.

Mr. GREEN: What sort of dealers?

Mr. WOODS: Unscrupulous dealers.

Mr. QUELCH: Is it not true there were exceptions to this section in regard to men settling under the Veterans' Land Act?

Mr. WOODS: Under the Veterans' Land Act?

Mr. QUELCH: Yes, I understand a certain amount of gratuity is used to guarantee payment.

Mr. MUTCH: The Veterans' Land Act does not get the credit.

Mr. QUELCH: He gets the gratuity. I understand where a man settles on a small allotment they take a small amount on that—or is it just the pension?

Mr. WOODS: No. His gratuity is not assignable in any form.

Mr. GREEN: Why do you have that "credited to the member"?

The CHAIRMAN: That is when he comes out of the forces, it is credited to his credit in the books.

Mr. GREEN: "...or otherwise dealt with prior to its being paid or credited to the member".

The CHAIRMAN: That means before he is discharged. He cannot make a deal and say, "I will sell you all my rights for so much money".

Mr. GREEN: Here is a case which says that once it has been credited to him, although he has not actually been paid it, then he can go and pledge the credit.

The CHAIRMAN: It says it cannot be done.

Mr. GREEN: "...otherwise dealt with prior to its being paid or credited to the member..." Surely that means it can be pledged after it has been credited?

Mr. MUTCH: Once he gets the gratuity he can do what he likes, but in the case of a man who re-enlists it is credited to him and he is not able to get it until he completes his second enlistment.

Mr. CROLL: Are they not trying to sort of cover anything they have got in the early part of the section?

Mr. GREEN: I wonder why they put in "or credited"?

Mr. WOODS: The gratuity is paid to the credit—it is credited to him. When a man is discharged he is paid a gratuity and a credit is established and his credit is credited to him on the books. That is the reason for the distinction.

Mr. GREEN: Once it has been credited to him on the books then he cannot pledge it?

The CHAIRMAN: No. The first section says:

"No gratuity payable or credit available to a member of the forces or his dependents shall be subject to attachment, levy, seizure or assignment."

That is the first part of it, and the thing that is added is that it goes on to say that if any such transaction has been made it is null and void.

Mr. GREEN: Would it not strengthen the section in the soldier's own interests if you cut out the qualification "prior to its being paid or credited"? Why do you need to put that in?

Mr. BROOKS: His credit is good for ten years; it is over a long period.

Mr. GREEN: Just make ageneral restriction on assignment; it seems to me that is far better practice.

The CHAIRMAN: Let that stand.

Mr. CRUICKSHANK: Add to it that you hang anybody who tries to do this.

Mr. CROLL: Well, we passed the title anyway.

The CHAIRMAN: Now then, the suggestion was that if we sat at 10.30 we would try to adjourn at 12.30. I think in order to keep faith we should try to do that if possible. There is another thing. It is quite true this is Monday, but the faithful members had to sit here and do nothing for twenty minutes this morning while we got a quorum. The surest way of breaking down the committee is to have people say to themselves, "there won't be a quorum there; there is no use of my going down until a quarter to eleven". Then you never can get your quorum until half an hour late.

Mr. CRUICKSHANK: Why not make it eleven o'clock?

Mr. WRIGHT: I might say that there were no notices sent out for the meeting this morning. That is why some of our group were not here.

The CHAIRMAN: The clerk informed me notice was put in the votes and proceedings and that notices went out but apparently some people did not get them. I will not press any further the point about reducing the quorum but I do intend, gentlemen, to protect the people who are willing to attend this committee promptly, and if we cannot get a quorum promptly I think the only thing to do is to reduce the quorum.

Mr. CRUICKSHANK: Why not make it eleven o'clock?

The CHAIRMAN: The other day the majority voted for 10.30.

Mr. DROPE: It has been the policy to send out notices for these meetings. I got down about fifteen minutes ago, and if Mr. Lennard had not told me there was a meeting on I would not have known it then.

The CHAIRMAN: It may be that is the reason why we did not have a quorum this morning.

Mr. GREEN: Before you leave the bill could some consideration be given by the officials to section 24 of the present bill which sets out the power to make regulations? I think it may be necessary to change that section somewhat in view of the amendments that were made to the bill.

The CHAIRMAN: Do you wish to ask questions about that or make some submission on it?

Mr. GREEN: I am not sure, but I would like to have them prepared to say whether they think there should be changes made in section 24.

The CHAIRMAN: Is there any other suggestion similar to Mr. Green's before we actually start with the parts of the bill that may be regarded as more or less controversial? Is it your wish that we start with the portions of the bill we ordered to stand? I think we might as well start this morning. We have got half an hour. The first item that we said was to stand was "Business". I wonder if we might have an explanation as to why that was made so restrictive. It does not include fishing; it does not include fur farming. Those are two things that have been mentioned already.

Mr. LENNARD: Who is going to explain it?

The CHAIRMAN: Colonel Hogan is here. Would you explain that, Colonel Hogan.

Colonel HOGAN: Mr. Chairman and gentlemen: We have been proceeding on the grounds that those that you refer to, fishing and fur farming, are included in the term "Business". As you notice live stock raising, dairying, fruit farming and tillage of the soil are all things under the classification of agricultural pursuits. That is why they are in there, but any other types of business are already regarded as being included in the word "Business". We have used credits to assist in the purchase of equipment for fur traders.

Mr. CROLL: Then you should have left it just "Business". Once you start defining "Business" you get into trouble. Once you start to confine it, it might very well be construed as being very limited.

Mr. COCKERAM: What about prospectors? Do they come under the word "Business"? That is as to buying their canoes, outboard motors and camping equipment?

Colonel HOGAN: That is tools and equipment for their trade or profession.

Mr. COCKERAM: Have you had any applications?

Colonel HOGAN: Yes.

Mr. COCKERAM: Did you grant them?

Colonel HOGAN: Yes.

Mr. MUTCH: Have you used money to grub-stake prospectors?

Colonel HOGAN: We are not expected to use credits for consumption goods, that is, the actual food he would consume in his work, but as to anything in the way of tools or equipment he would need, yes.

Mr. GREEN: Then in effect you cannot grub-stake a prospector?

Colonel HOGAN: Not in the true sense of the word.

The CHAIRMAN: I wonder if you could explain why that clause is in there, Mr. Gunn?

Mr. GUNN: May I say this, Mr. Chairman, that it was taken directly out of the order in council. It was found necessary from an administrative standpoint owing to the fact that "Business" was not defined in any sense. This does not define business but it merely emphasizes those things that may be regarded as business. Whether they were regarded as business when the statute was passed was uncertain and to remove the uncertainty we introduced this inclusion. It does not exclude, as somebody suggests, anything that can be ordinarily regarded as business.

The CHAIRMAN: Should you not say that business shall include what is ordinarily regarded as business without restricting the generality because in there not a rule of construction in law that once you start defining you have the *ejusdem generis* rule applying?

Mr. GUNN: I do not think this is a definition, Mr. Chairman. It defines merely to include. If you are going to attempt to define "Business" it would be almost impossible.

Mr. WOODS: It does not say "Business means"; it says "Business includes".

Mr. GREEN: That is taken right out of the present regulations in P.C. 165.

Mr. ADAMSON: I had a fellow turned down who wanted to go into the tourist business. Surely that should be considered a business. He had a fishing and hunting lodge and he wanted to use his credit for his tourist business. Is that not a business?

Mr. GUNN: I think the administrative officers would have to examine the nature of the activities, shall I say, that are being regarded as a business. Without knowing all the facts I would not attempt to say yes or no to your question.

The CHAIRMAN: It probably was turned down not because it was not a business but because it was not considered a good business, a wide proposition. I wonder if Colonel Hogan would tell us with the Act as it is proposed here if such a thing as fur farming would be included?

Colonel HOGAN: Definitely, yes.

Mr. GREEN: Well, how? Legally I think you are all wrong on that. You have got other kinds of farming here and you leave out fur farming. How you get it in if you are going to have that restrictive definition I do not know. It is not live stock raising.

The CHAIRMAN: The deputy minister makes a good suggestion that business shall include the production of primary products such as farming, fishing and lumbering.

Mr. GREEN: Should not that definition of "Business" be cut out entirely? It leaves it much wider if it is cut right out.

The CHAIRMAN: I am afraid it is restrictive.

Mr. ADAMSON: As to this tourist business that I mentioned there was \$5,000 invested. I saw the place and it was a good enough risk for one of the chartered banks to take it subsequently. It was not a bad business. It was merely that they did not like the tourist business.

The CHAIRMAN: I think the idea of this thing was to make the word "Business", which is not usually considered as applying to farming, apply to those people engaged in the activities of the primary industries, and apparently without thought they were turning down people who were engaged in live stock raising. I think we should ask our departmental solicitor to suggest a definition that will be more inclusive. Is that satisfactory?

Mr. MUTCH: The minute you begin to define you automatically restrict.

The CHAIRMAN: You can make a definition that will be all-inclusive.

Mr. MACNAUGHT: What was the original definition?

The CHAIRMAN: It was just "business" and some people said that live stock raising, for example, was not business but farming. What they wanted to do was to say that business should include live stock raising. Once they say it includes live stock raising and the other items then they are going to run into some case that is not under these items and they are going to get into some difficulty. So it seems to me the logical thing to do is to ask them to draft a more inclusive definition.

Mr. MACNAUGHT: I think it would be much better to leave it without any definition.

Mr. WOODS: I am afraid to define what is "Business" for fear that we will be excluding something but if we can broaden it and say that this does not exclude primary production, such as farming, fishing and lumbering, I think it will help.

Mr. BENEDICKSON: Do I understand that the department has not been making re-establishment grants to those desiring to go into the tourist business?

Colonel HOGAN: The answer to that is that we have been using credits for all types, even for the purchase of live stock on farms where the veteran is not under the Veterans Land Act. We have been doing that, and also the tourist business. I should like to have the particulars of that case.

Mr. ADAMSON: I will write to the man and ask him to let you have them.

Mr. EMMERSON: What about that type of business which is not quite a tourist business, such as men who act as guides and have camps on fishing waters in the woods, and so on? Would they be included?

The CHAIRMAN: I think it is the idea of the committee that we should permit these people to have this help to get started in any legitimate form of activity. It should be possible for our solicitors to draft an amendment to cover that and refer it back.

Mr. JUTRAS: Is it correct to assume that (b) is not a definition of "Business"?

The CHAIRMAN: It is not.

Mr. JUTRAS: Then why not cut it out completely instead of trying to define it?

The CHAIRMAN: The reason is that administering the Act somebody would come along and apply to have his credit applied to engaging in the business

of raising poultry, we will say. Now then, apparently somebody has said that was not a business. Apparently that is the reason why this was put in. We do not want to hamstring the administrators of this Act because you know the auditors, the treasury board and all the rest of them have to do with it.

Mr. LENNARD: Poultry raising is one of the biggest businesses we have in Canada.

Mr. JUTRAS: The point I am making is that if we define it let us define it but if we do not define it we might as well not attempt to.

Mr. MACNAUGHT: Might it not be better to proceed in a negative manner and say that business shall not include so and so, limiting it to what it shall not include.

Mr. QUELCH: A gambling institution.

Mr. LENNARD: I think it was decided that the solicitors in the department bring in a suitable amendment.

The CHAIRMAN: Is that satisfactory?

(Carried)

The next item stands; and we have another submission on it.

The next item that stood was:—

(e) "discharge" means ceasing to serve on active service in the forces since the tenth day of September, one thousand nine hundred and thirty-nine, and "discharged" has a corresponding meaning.

In other words, if they are discharged before that date they do not qualify.

Mr. SINCLAIR: Mr. Chairman, what about officers retired; they are not discharged?

The CHAIRMAN: They cease to serve. "Discharge" means ceasing to serve at any time since that date. In other words, if they were discharged from the forces before our entry into the war they would not be entitled to the gratuity.

Mr. QUELCH: There is one point there. Take the case of a man who comes back wounded and is placed in hospital, he is immediately discharged and therefore his gratuity will stop as of that date; but if he is brought back and kept at a base say for five months awaiting discharge his gratuity goes on. I do not see why the gratuity should not continue until he is discharged from the hospital.

Mr. WOODS: Mr. Chairman, I have under consideration at the present time an amendment to our recent regulations that would enable us to carry that man on in hospital up to the deadline of March 31st, 1946, for gratuity. We have under consideration an amendment.

Mr. CRUICKSHANK: What do you mean by deadline for gratuity?

Mr. WOODS: I mean that active service conditions for the sake of the interim Air Force cease as of March 31st, 1946.

Mr. QUELCH: Otherwise a man might be in a hospital for a year or more.

Mr. WOODS: Some of them will be in for life, Mr. Quelch.

Mr. BROOKS: And those being discharged are discharged to the Department of Veterans Affairs?

Mr. WOODS: They are discharged to the Department of Veterans Affairs for treatment.

Mr. GREEN: Was there not some submission in regard to this section 5 (e) by the Air Force?

The CHAIRMAN: Their submission to-day, as I understand it, was that the gratuity should be paid in respect of previous service to September 10. This would not affect that. This is final discharge.

Mr. BROOKS: Why should there be a time limit of March 31, 1946? If a man is kept in the army for any reason and is not discharged by March 31, 1946, he certainly should be entitled.

The CHAIRMAN: I would say, Mr. Brooks, that there should be some extra money given for service overseas and all that sort of thing; and the question I suppose in the mind of the department was, should there be a differentiation as between men serving in England and men serving in Canada now that the war is over.

Mr. CRUICKSHANK: An airman comes back from overseas now and is discharged and he gets the gratuity—and in saying this I am not talking about the brass hats, I am talking about the soldiers. He comes back from overseas and he gets paid this, but a fellow in the army doesn't; why should the fellow in the army be penalized?

Mr. MUTCH: Well, is there not some statement of policy from the minister to the effect that on March 31, 1946, the army overseas cease to be an expeditionary force and become a part of the permanent force of Canada, and that from that date forward they will not be treated as an expeditionary force but as a permanent force and will come under the regulations applicable to the permanent force?

Mr. CRUICKSHANK: I was thinking about the men who are discharged before that date.

Mr. MUTCH: But I say, when we reach that stage this will just have ceased to exist, I refer to the C.E.F.

The CHAIRMAN: Just to be quite clear, this only explains what discharge means. It means ceasing to serve after that date. In other words, all that this does is it says that discharges that were obtained before the outbreak of the war do not count as discharges for the purposes of this Act. That is all this section says.

Mr. GREEN: But the explanation goes much further than that; the explanation says, it is intended to clarify the date from which active service commences. That is exactly the point on which the Air Force are making representations, is it not?

Mr. CRUICKSHANK: In British Columbia they were called up and went on active service as from September 1st, 1939.

Mr. MUTCH: What about the R.C.A.F. fellows on short-term commissions?

Mr. CRUICKSHANK: You should have thought of the army also. Anything that applies to the Air Force should apply to the army.

The CHAIRMAN: Gentlemen, if you want what you say to be in the record you will have to speak one at a time. I wonder if that could be explained: just what the fact of "ceasing to serve on active service" is.

Mr. GUNN: I think, Mr. Chairman, if there are any of the services at all here who are connected with the pay office and who are familiar with the mechanics of this matter an explanation might better come from them. But it seems to me that this point of discharge has to be determined in order to know at what time these benefits shall cease being available; that is, the computation of the period for which the benefits are paid. And these other clauses, such as persons who served in the R.A.F. for example, do not enter into the picture here at all. We will be dealing with them at some later stage in the bill. I have not had a chance to do more than hear the representation which came in this morning from the Chief of Air Staff, but I rather think that it deals not with the points which are now being discussed but with points which will be discussed under section 17 of the bill. May I suggest that this might be deferred, Mr. Chairman, until we come to examine the representations which have been made this morning?

The CHAIRMAN: If they did not have "on active service" in there it would be clear what they meant; but once you put in "on active service" it becomes

doubtful as to just what is meant. "Discharge" might mean ceasing to serve on the part of a person who was never on active service.

Mr. GUNN: I am afraid I cannot answer that at once.

The CHAIRMAN: I think we better defer that, because it looks to me that the question raised there relates to what we are trying to do.

Mr. WOODS: I think the attempt is, Mr. Chairman, to distinguish between those who are recruited for active service in this war and the interim force for the permanent establishment.

The CHAIRMAN: Exactly.

Mr. CROLL: Otherwise you would be up against this, it seems to me, if we don't do something, put some limit on it: Suppose a man went into the army, the British army, five years before this war started, and then transfers to the Canadian forces when we got over seas; would he be eligible?

Mr. CRUICKSHANK: In that case, yes. The R.C.A.F. has determined in the case of a man who joined up in 1937 in the R.A.F. that he gets his benefits. That is why I asked why should not the man who joined the British army in 1937 also get it?

The CHAIRMAN: Don't mistake me, it is just a submission of the air force; nothing has been done about it.

Mr. CRUICKSHANK: I know of the case of a couple of men who went through the air force where they gave a ruling two years ago—they sent two men home with their money. That is why I say that anything that is done for men in the air force should also be available to men in the army in just the same way.

Mr. CROLL: I agree with you on that; whatever goes for one service goes for the others, the army and the navy.

Mr. CRUICKSHANK: The air force have already done it.

Mr. CROLL: How far did they go back?

Mr. CRUICKSHANK: They went back to 1937—

Mr. CROLL: Well, if the 1937 rule applies to the air force it should apply equally to the army and the navy, in just the same way.

Mr. BROOKS: Under this section (e) any man who entered the service in 1937 and was not discharged until say after the end of the war would not be affected. This only affects the person who joined the forces since 1937 and was discharged up to say 1938.

The CHAIRMAN: If it means that it is for the person who got discharged before the outbreak of the war and who was serving in the armed forces—if it is limited to that it is quite clear what it means; but what you see in there, "ceasing to serve on active service", brings up something new.

Mr. MUTCH: There were men who served in the permanent force and who on the conclusion of their service did not elect to re-enlist between the 1st and 10th September, and who retired to civil life. There was no compulsion then, if their term of enlistment was up; and I should judge it would prevent them from obtaining that gratuity.

Mr. SINCLAIR: I would like to have someone tell me why the 10th of September was decided on.

The CHAIRMAN: That is the date on which Canada declared war.

Mr. SINCLAIR: What I had in mind in asking that question was this, that in my military district the men went on active service effective the 1st of September, 1939.

Mr. CROLL: It was an attempt to try to fix the date on which the war started.

Mr. GREEN: Perhaps the solicitor would give us an explanation.

The CHAIRMAN: I think we should have an explanation as to what the effect of it is.

Mr. GUNN: It has to be considered in connection with the definition of "war services" which you find on the next page. The reference is to those forces which His Majesty raised in Canada; and it simply means that discharge must be with respect to those forces raised in Canada subsequent to the 10th September 1939.

The CHAIRMAN: Well, is active service defined any place?

Mr. GUNN: I might tell you this. As I remember it there were at least two different kinds of service at the outbreak of the war; those who were being signed on, shall I say, for combat duty outside of Canada; and those who perhaps were home defense; and I think that is where the distinction arises.

Mr. GREEN: I think it is just a mistake in the original draft of the Act.

The CHAIRMAN: If you are going to refer to "active service" do you not think that "active service" should be defined?

Mr. GREEN: "Service" is defined on page 3.

The CHAIRMAN: Service is defined but not active service.

Mr. GREEN: It mentions there, "served on active service".

Mr. GUNN: I will try and bring you in something on that next day.

The CHAIRMAN: We will let it stand and decide about it later.

Mr. COCKERAM: While we are on this question, there is a group of men that I think should not come under this war service gratuity. I refer to those members of the permanent forces who were permanent soldiers and for whom soldiering was their livelihood and who through the exigencies of war obtained very high rank and as a result have been retired, with greater pensions than they ever dreamed of having in their lives; and I think that as pensions are given for service and as they have paid their money into the pension fund, I do not think these people are entitled to this war service gratuity. In my opinion soldiering was their vocation and for that reason I believe they are not entitled to the gratuity as such. They have received their reward through service and obtaining higher rank; in the majority of cases much higher rank and much higher pensions than they would ever have received had there been no war.

The CHAIRMAN: That will come up, of course, under another section.

Mr. COCKERAM: It really comes up under this too. They are being discharged and have been retired from the army during the war and since that date.

The CHAIRMAN: Does anyone else wish to speak to this section?

Mr. LENNARD: Well, Mr. Chairman, I must say that I agree with what Mr. Cockeram has said.

Mr. WOODS: National Defence regulations provided that men of the permanent forces went active pursuant to the provisions of order in council.

Mr. CRUICKSHANK: Why would anyone suggest that the permanent forces should not go active? They are active; they are in just the same position as a policeman, simply doing their duty.

Mr. MUTCH: But they went "active" from the third of September.

Mr. CRUICKSHANK: What do we have a permanent army for then?

The CHAIRMAN: That emphasizes the necessity of defining "active service". I can see that it is wise to get that defined.

Well, then, may we proceed to the next item which was permitted to stand?

Mr. GREEN: Is it asking too much to ask that the officials give us a memo of how much will be left in the regulations under this Act? They have taken certain paragraphs from the regulations and put them in the new bill. I presume

there is quite a bit still left in the regulations. Is it possible to know what will still be covered by the regulations as distinguished from what will be in the Act?

Mr. GUNN: I will be glad to try to get that information for Mr. Green. But I may say at this moment that the intention of the draftsmen of this bill was to include in the bill those parts of the regulations which depended for their validity on the War Measures Act only, leaving procedures and that kind of thing to stand by themselves pursuant to section 24 which you mentioned a while ago.

The CHAIRMAN: And we have those regulations, have we not, before us?

Mr. GUNN: Yes.

Mr. GREEN: They are in the red book?

The CHAIRMAN: Yes; so if any one wishes to study them and see which has been left in the regulations, he can do so.

Mr. GREEN: Part of these were taken out and put in the bill; and I was wondering if it were possible to tell us what was left in the regulations.

The CHAIRMAN: You want the departmental solicitor to do some of the work.

Mr. GREEN: It may be a big job.

Mr. GUNN: We shall be glad to attempt to do that.

The CHAIRMAN: The next one was 2 (g). Does any one wish to make any observations on that? It reads, "educational or technical training benefits' means vocational or technical training or university grants, including tuition fees, students' fees, athletic fees and all other costs or charges of vocational and technical training or university or other courses, to which members of the forces are entitled under the laws of Canada, except such similar benefits as are provided by order in council P.C. 4465 of 13th June, 1944." That order in council is what order in council?

Mr. GUNN: That is known as the treatment regulations.

The CHAIRMAN: And that is passed under the Veterans' Act?

Mr. GUNN: That is right.

Mr. CROLL: What page is that?

Mr. WINTERS: 556.

Mr. BROOKS: There is one point there I should like to mention. I understand there are a lot of men coming back who cannot attend vocational schools or cannot attend universities but are applying for correspondence courses. I do not think there is any provision made for these men to have education through correspondence courses. What does apply to cases of that kind?

Mr. WOODS: Correspondence courses, so far as our training program is concerned, will come up under another Act, the Act with respect to the post discharge re-establishment order. But it does permit correspondence courses coming within the proposal that is made.

Mr. BROOKS: I understand.

The CHAIRMAN: One way this could be got around would be, instead of referring to the specific order in council, you could say "benefits as are provided by order in council under the Veterans' Act." Would that meet your objection?

Mr. GREEN: I presume this definition is used only to help interpret section 8 of the present Act. Is that right?

Mr. WOODS: That is right.

Mr. GREEN: It says, "subject as hereinafter provided, every member of the forces who does not elect to take benefits under the Veterans' Land Act, 1942, or any educational, vocational or technical training benefits which are provided out of moneys appropriated by parliament", and so on. Why do you have to

go further and put in a definition of educational, vocational and technical training benefits when it is defined in the Act in section 8 as those which are provided out of moneys appropriated by parliament?

Mr. GUNN: The answer to that, I think is this. These benefits that are available under the treatment regulations are paid for out of moneys provided by parliament; but they do not enter into the adjustment of accounts as between the re-establishment credit and the benefits. By this special order in council they were excluded from consideration. In other words, the effect is that, under the treatment regulations, the veteran gets those benefits without cost to him. That is not quite so under the Act as it stands. There is an adjustment of accounts, so to speak, and perhaps the effect is that when he gets benefits on the one side, they reduce his credit accordingly. But that would not apply if he got those benefits under the treatment regulations. He would get them without any cost to him.

The CHAIRMAN: As I understand it, under the re-establishment order, a man may get grants for vocational training which the state provides; and if he is getting that provided by the state, then he cannot draw a credit for the same purpose. That is all it is for. Is that not right?

Mr. WOODS: Yes.

Mr. GREEN: No.

Mr. WOODS: This is to make clear that any benefits he gets under our treatment regulations will not impinge on this credit, will not disqualify him.

Mr. GREEN: Why not put it in this way? Why not say simply in section 8, "not to include any treatment benefits", or something of that kind?

The CHAIRMAN: Or any benefits provided under the Veterans' Act or under any other statute.

Mr. GUNN: I considered that, Mr. Chairman, but I felt that it left it pretty wide open. The regulations that may be made under the Department of Veterans' Affairs Act are pretty wide, and I think perhaps it might be desirable for the committee to consider that aspect of it.

Mr. GREEN: Apparently there are two types of training benefits. Of one type are those, strictly speaking, educational, vocational or technical; and in that case what the veteran gets in that type of benefit is deducted from his re-establishment credit.

Mr. WOODS: That is it.

Mr. GREEN: But there is another type, the treatment which a man gets in hospital if he is a pensioner; and that is not to be deducted from his re-establishment credit.

Mr. WOODS: That is right.

Mr. GREEN: I do not see how it could be deducted from his re-establishment credit, even the way the Act reads now. But it seems to me that in putting in this long definition which primarily refers to educational training, you are only confusing the matter.

The CHAIRMAN: Then what about vocational training under re-establishment order? You pay the cost of vocational training under your re-establishment order. I am just asking for information now, but why is it necessary to mention anything done under the Veterans' Act or the regulations under the Veterans' Act providing for treatment, and not to refer to vocational training under the re-establishment order? I do not understand why it should be necessary to refer to one and not the other. There must be some reason, of course.

Mr. GUNN: I think it is to give a preference, Mr. Chairman, to the man who receives that training in hospital while he is receiving treatment.

Mr. GREEN: The way the Act reads now, in section 8, there is nothing to take away any rights that the pensioner gets in the hospital now. I think it is amply covered by section 8. Section 8 only takes away the rights of a man who gets educational, vocational or technical training.

Mr. GUNN: I think, Mr. Green, we were forced to consider those words in section 10 of the old Act, in the sixth line, "which are provided out of moneys appropriated by parliament"; and the costs of the treatment that the veteran receives in hospital are out of moneys appropriated by parliament. We had to do something to avoid having that amount deducted from his gratuity or from his credit.

Mr. GREEN: I think it would be better if that could be put in plainly.

The CHAIRMAN: Yes. I have had a motion that we adjourn. It is now 25 minutes to 1. We will have submissions on these points raised, at the meeting tomorrow at 10.30. Would the steering committee just wait behind for a few minutes, please.

Mr. COCKERAM: Before we leave, when I made that statement just now I did not mean it to refer to other ranks in the army. I am thinking of high-ranking officers getting that gratuity.

Mr. CROLL: Where do you start—with major-generals?

Mr. COCKERAM: Major-generals up.

The committee adjourned at 12.35 p.m. to meet again on Tuesday, October 23, at 10.30 a.m.

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

TUESDAY, OCTOBER 23, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs.
Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs.
Lieut. Colonel W. J. Lawson.

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1945



MINUTES OF PROCEEDINGS

TUESDAY, October 23, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Bruce, Cleaver, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Langlois, Lennard, Marshall, Mackenzie, McKay, Merritt, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Solicitor Department of Veterans Affairs and Lt. Col. W. J. Lawson.

Mr. Gunn tabled a compilation, in book form, of Orders in Council passed since the beginning of the war entitled "Orders in Council relating to veterans and others entitled to certain veterans' benefits", which was distributed to the members.

The Committee resumed consideration of the proposed draft bill to amend the War Services Grants Act, 1944.

Col. Lawson was called and questioned.

The following clauses of the draft bill were adopted without amendment: 1 (b), 1 (e), 1 (g), 1 (h), 1 (j), 1 (k), 1 (m), 1 (p), 1 (q), 1 (r).

Paragraph (i) of clause 1 (s) was amended to read: "(i) while enlisted or obligated to serve without territorial limitation; or"

Clause 1 (s), as amended, was adopted.

Mr. Cruickshank moved that subclause (t) of clause 1 be adopted without amendment.

Mr. Mutch moved in amendment, that the word *Newfoundland* between the words *including* and *Bermuda* be deleted and the words *and Newfoundland* be inserted between the words *excluding* and *Greenland*.

On division, the amendment was negatived.

On division, Mr. Cruickshank's motion carried and clause 1 (t) was adopted without amendment.

At 12.40 o'clock p.m., the Committee adjourned until Thursday, October 25, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
October 23, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: If the committee will come to order we will commence the business of the committee. I think we may as well go back and see if we cannot pass some of these sections that we did not get through yesterday. The first one is 1 (b): "business" includes live-stock raising, dairying, fruit-growing and all tillage of the soil.

There was some suggestion made that we were going to extend the meaning of "business" so that there would be no doubt that people engaged in primary industries should be considered as being in fact in business. We should perhaps have some more inclusive definition.

Mr. CROLL: Was not the solicitor to bring us in a definition of the business this morning?

The CHAIRMAN: That is what I understood. Is Mr. Gunn here?

We have here the bound orders in council which will be distributed to each member of the committee.

Mr. WOODS: Mr. Chairman, might I explain to the members that this includes all the orders in council affecting veterans which have been enacted since the outbreak of the present war.

Mr. BROOKS: Up to what date?

Mr. WOODS: Up to the date of the printing, which is about a week ago.

Mr. GREEN: Have any of them been repealed or replaced?

Mr. WOODS: Some of them, yes.

Mr. GREEN: Is there any index to show which ones are in force and which ones are not?

Mr. WOODS: I do not know whether they show the ones which have been repealed or not. There is an index both as to subject, in front, and also a numerical index further inside. This is merely an addition to the documents which you have at the present time.

The CHAIRMAN: Have you that amendment now, Mr. Gunn? I refer to the one which you were going to suggest about business.

Mr. GUNN: Yes, I have something here on that. Mr. Chairman, we have given this matter of a better definition for the word "business" a great deal of study, and we have concluded that we ought either to make it as general as possible or leave it out entirely. It did not seem possible to limit the wording or to attempt to define what all it might include, so I am putting forward this very general definition for consideration in the committee: "Business includes trade, industry or profession". Now, that is, as I said, a very general one and, as you will observe by its term, it comprehends almost every conceivable form of human activity. I am offering that, Mr. Chairman, as a possibility; and I have another one which is perhaps more general still in this respect that it is more of a dictionary definition and it runs like this: "Business means anything which occupies the time, attention and labour of a person for the purpose of profit." That is a dictionary definition, as a matter of fact. Some of the lawyers on the committee will recognize it.

Mr. WRIGHT: That would not cover a soldier joining a cooperative for profit.

Hon. Mr. MACKENZIE: I think the first one is best.

Mr. GUNN: I believe all of the legal members of the committee will recognize this last one as having come from an outstanding English case where the decision was handed down by the master of the rolls, a lord justice.

Mr. BROOKS: You could say that "business" means any legitimate trade, industry or profession in which the soldier may care to engage, or something like that. There is a lot of business that is legitimate, and we would not want them to engage in anything which was not legitimate.

Mr. GUNN: Surely we would not be accused of allowing veterans to participate in any illegal transactions. After all, these proposals for the use of credit have been made subject to the authorization of the minister.

The CHAIRMAN: "Industry" to include primary industry as well as secondary industry, I take it.

Mr. GREEN: This is all tied up really with section 9, which refers to trade, profession or business; so I think it is redundant to bring trade into the question again in the definition. I would suggest that you give consideration to defining business as including production of all kinds. That does not conflict with trade, or profession, and I think it is broad enough to cover everything else, and it would enable you to help out in all kinds of production, both farming, fishing and forestry and any other type of produce.

The CHAIRMAN: Are there any observations on that?

Mr. WINKLER: On a point of order, I think it was agreed earlier in the sittings of this committee that those who speak should stand up. Those members who have ringside seats are glued to their chairs and talk in conversational tones and we back here are unable to hear.

The CHAIRMAN: That brings to attention another point, that the reporters are having difficulty in getting the remarks of the various members if they talk while seated, and there is very great difficulty in giving members the floor if they speak from a sitting position. I have had the reporters complaining that it is impossible to get down all that is said, so perhaps if the committee are agreeable we will ask members to rise when they desire to make observations; and I think if we could place the reporter where he could look at the committee instead of having his back to a part of it that would be better also. I wonder if that could not be arranged?

Mr. GREEN: Mr. Chairman, I would like to have this suggestion heard so I will rise. I would suggest that "business" be defined to include production of all kinds. As it is now it just covers livestock raising, dairying, fruit-growing and all tillage of the soil. I do not see why you need to include "trade or profession" because that is already in.

Hon. Mr. MACKENZIE: Could you combine your suggestion with that advanced by Mr. Brooks which was to include all legitimate trade, industries or professions? Mr. Brooks made such a suggestion a moment ago, and I wonder if your suggestion might be combined with it.

Mr. GREEN: I do not care, but I do not think that is necessary for the purposes of the Act.

Mr. HARRIS: Might I just add a word? It has been suggested that this definition include "trade, industry and profession". I have in mind that in another department of the government I am having a hard time to convince the government that industry covers shipping. Under those conditions, I wonder if it might not be considered that the term "shipping" would come within those words.

The CHAIRMAN: When we come to production or activity, that would cover everything.

Mr. HARRIS: Operating a shipping business would not be production.

The CHAIRMAN: It is activity. Would there be any objection to using, "production or activity"? To say, business includes production or activity of all kinds? If you want to preclude the suggestion that returning veterans might engage in some illegal activities you could say, production includes "lawful" activity.

Mr. GUNN: May I point out, Mr. Chairman, that an activity may not be a business; it might not be commercial in its scope.

The CHAIRMAN: How do you propose to cover shipping then?

Mr. GUNN: I say, and I say advisedly, that the word "industry" ought to include shipping.. Surely in these three terms, trade, industry or profession, every conceivable form of human activity for a profit or for a livelihood ought to be included.

The CHAIRMAN: Well now, will we accept the advice of our counsel that that does include all legitimate forms of earning a living? If so shall we declare that carried as amended; and all agree now that "business" includes trade, industry or profession?

Mr. GREEN: I do not think that is needed, because you have already got trade and profession in this section on page 8.

Mr. CROLL: What is the section you refer to?

Mr. GREEN: It is on page 8.

Mr. GUNN: I was going to suggest when we come to that, Mr. Green, that those words would be eliminated so there would be no redundancy.

The CHAIRMAN: Is that agreeable to the committee?

Some Hon. MEMBERS: Agreed.

(Carried)

The CHAIRMAN: The next section is 1 (e):—

(e) "discharge" means ceasing to serve on active service in the forces since the tenth day of September, one thousand nine hundred and thirty-nine, and "discharged" has a corresponding meaning;

There was some question the other day about what was meant by "active service"; and we have here Colonel Lawson, of the Judge Advocate General's branch, who drafted this bill originally, and we are anxious to hear from him as to what was intended by that section.

Lieutenant Colonel W. J. LAWSON, Deputy Judge Advocate General (Army), called:

By the Chairman:

Q. Will you explain what you had in mind by "active service" in that section, Colonel Lawson, please?—A. It is our understanding in the draft made originally that gratuities and credits were only to be paid in respect of service during the emergency; that is, during the war and the period immediately following the war; and that they were not to be paid for military service in the future, that is the peacetime army. It is therefore provided in the Act that service would mean active service, and active service under the Militia Act, and the Royal Canadian Air Force Act, and the Royal Canadian Navy Act, means service—full time service during an emergency. An emergency is defined to mean a state of war, riots or insurrections, real or apprehended.

By Mr. Quelch:

Q. Mr. Chairman, would gratuity be paid to members of the occupation army in the event of a riot in Germany or something like that?—A. The gratuity will be paid to the occupational army as long as it is on active service; that is, as long as a state of emergency exists.

By Mr. Croll:

Q. Have you not fixed a date for that, March 1, 1946?—A. No, sir. You are thinking of the proposed Act relating to the fixing of the national emergency under the War Measures Act. The emergency under the War Measures Act has nothing to do with the emergency under the Militia Act, the Royal Air Force Act or the Royal Canadian Navy Act. That is quite separate.

By Mr. Sinclair:

Q. Your definition of active service to my mind would include service by N.R.M.A. personnel as well in Canada.—A. It includes any full time service during the emergency.

Mr. FULTON: And that remark I take it would include personnel of the army of occupation for however long occupation may last?

The WITNESS: That would be a matter for the courts to determine. The courts will say when the emergency ceases to exist under the Militia Act. I do not think the courts would say that as long as we have an active service army, navy or air force. So long as they remained on service during the emergency they would be on active service.

By Mr. Mutch:

Q. Would that not be changed from the time when members of the army of occupation became a part of the permanent force?—A. That might very well be, yes.

By the Chairman:

Q. In regard to the permanent force, they were placed on active service, were they not?—A. That is right.

Q. When does that period of active service cease?—A. As soon as the emergency as defined by the Militia Act comes to an end.

Q. Would that cover the boys who are signing up in the navy, the army and the air force now? Have you looked into that?—A. It would cover them as long as an emergency exists. If the emergency comes to an end during their term of service their right to gratuity would cease.

Mr. QUELCH: A remark made by Mr. Croll puzzles me; he stated that the gratuity would be paid to the N.R.M.A. personnel, and that is not overseas.

The CHAIRMAN: I might point out, gentlemen, that there is another clause which disqualifies them.

Mr. SINCLAIR: I was just watching for that.

The WITNESS: I understand your question to be, sir, whether the N.R.M.A. personnel were on active service. They are. They are not entitled to gratuity, however, unless they are serving overseas.

Hon. Mr. MACKENZIE: They are disqualified.

Mr. WRIGHT: Would the emergency end with the present War Measures Act going out of existence and with the bringing in of the new Act which the Minister of Justice proposes to bring down?

The CHAIRMAN: Have you the actual wording of the Militia Act, because it should go into the record?

The WITNESS: I have it right here, sir: The Militia Act, section 2 (b) defines emergency as follows: "Emergency means war, invasion, riot or insurrection, real or apprehended".

The CHAIRMAN: Is not that exactly the terms on which the War Measures Act is based, and if it is deemed that there is a state of emergency sufficient to sustain the War Measures Act does not your state of emergency under that Act cease? That is what the member was asking.

The WITNESS: No sir; I do not think it does. The National Emergency Powers Act provides specifically that it is only for the purposes of the War Measures Act that the emergency shall be deemed to cease to exist; therefore, it does not in any way affect the Militia Act or the other service Acts.

Mr. HARRIS: We have a large number of soldiers overseas, some returning now, and other staying over there; surely their gratuity is not going to be sacrificed, is not going to be cut off before they get back?

The WITNESS: I would not think so.

Mr. HARRIS: In the army of occupation we have, I suppose, those who have enlisted for the duration of the occupation, we have those who have been placed in the active army voluntarily; and we have those who are now enlisting to go overseas for service. Would you tell us how each of these would be affected?

The WITNESS: At the present time, sir, they are entitled to count their service as service counting toward a gratuity. When the state of emergency under the Militia Act ceases to exist it is my opinion that none of them would be entitled to count any further service as service toward gratuity. That is only an opinion, though.

By the Chairman:

Q. It is based upon your study of the Act?—A. Exactly, yes.

By Mr. Croll:

Q. In your opinion, how would the condition of emergency cease to be, by Act of parliament?—A. It could be by Act of parliament. Q. How else?

Hon. Mr. MACKENZIE: It might be by order in council.

Mr. CROLL: An order in council is still an Act of parliament.

The WITNESS: By a declaration by the government.

By Mr. Croll:

Q. How else except by a declaration of the government?—A. By the finding of a competent court in a specific case that there was no longer an emergency.

Q. What do you mean by a court?—A. If the matter were brought before any court that court might decide that the emergency no longer exists.

Q. May I ask what was the practice in the last war? There was a gratuity; when did it cease? Have you any recollection of that?

The CHAIRMAN: It was just for the years you served.

Mr. CROLL: What about the gratuity for the army of occupation?

The CHAIRMAN: We did not have an occupation army.

Mr. CROLL: They did not all get back here the same time to my recollection.

Hon. Mr. MACKENZIE: It was based on the number of months you served.

Mr. WOODS: There was no occupation as such.

Mr. BROOKS: The only army of occupation there was, was while the armistice was on; when peace was declared there was no army of occupation.

Mr. CROLL: Will not a declaration of peace bring it all to an end?

The WITNESS: I think it might very well do so, when the peace treaties are finally signed. That might really be a termination of the emergency, I would think.

Mr. MUTCH: According to the present prospects a lot of them will be retired on account of old age before ever the peace is signed.

The CHAIRMAN: It is satisfactory then to carry that on that basis? Anyway, by carrying it as it is now we are not trying to set a limit on it, because it is hard to foresee the future. If that is satisfactory we can declare it carried on the basis of the advice we got. It is going to give gratuity during the time of service, as long as the emergency lasts; which would include any of the army or air force boys on active work in Germany and so on. Is it the pleasure of the committee to carry that? (Carried.)

The CHAIRMAN: The next is 1 (g):—

(g) “educational, vocational or technical training benefits” means vocational or technical training or university grants, including tuition fees, students’ fees, athletic fees and all other costs or charges of vocational and technical training or university or other courses, to . . .

Mr. GUNN: Mr. Chairman, since yesterday I have given certain additional consideration to this particular clause and I have come to the conclusion that it might very well be omitted entirely and the particular points dealt with under it could be dealt with in an appropriate sub-section of the Act. It would simply mean that when we come to a consideration of clause 7 of this bill, which you will find on page 7, we could insert after the word “parliament” in the fifth line, words “other than such similar benefits as may be available to veterans under the provisions of the Department of Veterans Affairs Act”. That would throw us back then to the regulations that are made pursuant to that Act and which provide in the course of treatment certain vocational training benefits for the veteran.

The CHAIRMAN: Are there any observations on that? It is understood that if it is carried it will be dealt with under section 7 in a future meeting.

Mr. LANGLOIS: Mr. Chairman, I would like to inquire in connection with this question of training whether any provision is made for the training of persons who are now in the army or the navy, and who want to go on and take training as officers for duty overseas?

Mr. WOODS: Mr. Chairman, it covers any kind of training for which a course is approved:

The CHAIRMAN: The next clause is (h): “forces” means the naval, military, or air forces of His Majesty raised in Canada”. I do not remember why that was asked to stand.

Mr. CROLL: Because there were forces that were raised in Canada who subsequently joined in the forces and for that reason it was suggested that it should not be, “forces of His Majesty raised in Canada”. That was the question.

Mr. BROOKS: And it was suggested that it also include the merchant marine.

Mr. MUTCH: “Raised in Canada” is what caused the objection, is it not?

The CHAIRMAN: As I understand the objection it is that if anyone joins our forces outside of Canada they should be covered by the Act.

Mr. WOODS: That is joining forces that are raised in Canada, sir.

Mr. MUTCH: Would you not overcome the point in conflict if you said, “forces of His Majesty raised by Canada”?

Mr. WRIGHT: What would be the position of the Canadian national who was serving on a British ship, or on a ship of British registry; such, for instance, as the cable ships we see down there in Halifax harbour? Canadian nationals serve on those ships, and the way we are defining it as it appears here I do not think they would come under the Act.

The CHAIRMAN: The idea of that was that they never belonged to any military forces at all, and they would be brought under some other provision to help them out, or some other Act. As I understand it, you are speaking of civilians?

Mr. WRIGHT: Well, they might be called that.

The CHAIRMAN: There is a special bill coming before the committee dealing with civilians. This only applies to personnel of the navy, the army and air force—military forces.

Mr. WRIGHT: I am not quite sure; it seems to me that they are, whether the men who serve on board those cable ships are in uniform or not.

Mr. WOODS: If they are members of the forces they are covered—if actually members of the forces. If they enlisted they are covered.

Mr. BROOKS: I think you refer to the *Lord Kelvin* and the *Cyrus K. Field*, the two cable ships which sail out of Halifax.

Mr. WRIGHT: Yes.

Mr. BROOKS: They are not under the Canadian merchant marine. They are under British control. I do not think they are under the Canadian merchant marine or the Canadian navy.

Mr. WRIGHT: Well, I know that they are all Canadians who serve on those ships, and they are complaining because they do not get any bonuses or any privileges. I think that is a matter which will have to be dealt with probably under some other act.

The CHAIRMAN: As I understand the intention of this Act it is to provide that any Canadian who joined His Majesty's forces is to get the benefits; isn't that it? It seems to me that we could not have a wording to make it more clear than this.

Mr. GUNN: May I suggest, Mr. Chairman, that "forces" as defined here means members of the Canadian forces. Speaking generally those members who are outside of that particular category, members of His Majesty's forces other than Canadian, are dealt with in another part of the bill, section 17.

Hon. Mr. MACKENZIE: Section 17, page 11.

The CHAIRMAN: What is the advantage of this section that we are considering, Mr. Gunn?

Mr. GUNN: The chief advantage is to distinguish between members of His Majesty's Canadian forces and all others.

The CHAIRMAN: That is, this section brings in Canadian forces and section 17 provides for people who are Canadians and belonging to other forces.

Mr. GUNN: With certain qualifications such as domicile, and so on, that are important in considering members of His Majesty's forces other than Canadian.

Mr. CROLL: I think we are missing the point a bit, reading both sections. I have a memo here that we were concerned at that time with Canadians who were in England and then joined the forces at that particular time. From reading that section it might very well be construed by some department that he did not belong to the forces that were raised in Canada. It might be very well suggested that particular force was raised in England. The intention is that man should be covered. I think that is the sense of the committee. I do not think that section covers it.

Mr. GUNN: At the appropriate time I am proposing to suggest a slight change in section 17 as it now stands in the draft bill to clarify certain points.

The CHAIRMAN: Are you certain, Colonel Lawson, that it does cover the people mentioned by the member of the committee who has just spoken?

The WITNESS: Yes, I am. It is the phrase which is used in all military documents to describe it. You might as well say the Canadian Army, Royal Canadian Air Force and the Royal Canadian Navy. It has the same meaning. They are His Majesty's forces raised in Canada.

The CHAIRMAN: Are the members of the committee now content to carry that section?

(Carried)

The next is: (j)

"home" means a house or building intended for human habitation and owned solely by the member or his spouse or jointly by him and his spouse and used or to be used by the member as his dwelling, together with the land upon which it is situated, including in the case of a farm, land used therewith for the purpose of farming.

It seems to me that is very inclusive. It covers a home used by the member of the forces or by his wife, or husband as the case may be, or when it is owned by them jointly. I do not see how you could have a more inclusive definition than that. Is there anybody objecting to that?

Mr. GREEN: Suppose a man and his mother own a house jointly, or a man and his father? There are some cases of that type, or it might be some other relative.

Mr. MUTCH: I have a case like that.

Mr. GREEN: I think the definition should be wide enough to cover that man.

The CHAIRMAN: Have you any observations to make on that, Colonel Lawson?

The WITNESS: No, I have not. I think that is a question of policy. The only difficulty is if you extend this too far you are going to have the credit used to repair and fix up property that is not the property of the member of the forces himself. In other words, someone else is going to get the advantage of the credit which, of course, is not intended.

The CHAIRMAN: As to these cases you have mentioned, Mr. Green, if a man wanted to get the benefit of the Act would it not be a good thing for him to be able to say, "I can get the benefit if I get the house in my own name or the name of myself and my wife?" The way it is if we extend it then the father can say, "I want to keep a majority interest in the thing", and he will get the benefit of the Act.

Mr. GREEN: There is no such thing as the majority interest in a joint property.

The CHAIRMAN: There might be a two-thirds interest.

Mr. GREEN: Not in a joint property.

Mr. GUNN: The principle of survivorship comes in there with the result it might easily be some person who is not a member of the forces would get the benefit of the credit.

Mr. MUTCH: I have a case in point of a chap who is presently undergoing treatment and is entitled to some of these benefits. I know of an application where the boy under those conditions is attempting to secure a home for his parents. He is single, and the probabilities of him every enjoying it himself are very remote.

Mr. GUNN: May I say, Mr. Chairman, that as the Act was left we found during the course of administration we could not grant the credit unless the man was, in fact, the sole owner of the home. There were a great many cases where the land was held by the member and his wife in separate and distinct interests, and also held by the member and his wife as joint tenants and not as tenants in common. This situation was considered by the department, and in order to avoid the necessity of the member having the appropriate interest transferred to himself it was decided to extend the scope of the benefit. The first situation that was dealt with was the case of a man who owned his property with his wife jointly. We found then that did not take into consideration the member who owned his property in some other fashion with his wife. The lawyers here will understand what I mean especially when I say that a joint tenancy is a different kind of thing to a tenancy in common with the result that you might have a property owned by a man and his wife with, for example, one-tenth interest owned by the veteran and nine-tenths by his wife. So we finally came around to the point where we disregarded that possibility and said that as long as the man and his wife were interested together in the property the credit should be available. I see certain possible disadvantages in extending it to the case of relations unless you are prepared to define the particular interest those relations must have in the property.

The CHAIRMAN: It is a question of principle whether you want to leave an opening for a soldier to take his credit and turn it over to his parents or whether it would not be better for him for us to say it must be used for certain things to advance himself?

Hon. Mr. MACKENZIE: That is the idea of it.

The CHAIRMAN: Are we going to go further and say that a man can take the credit and actually use it for the benefit of his parents?

Mr. GREEN: Of course, I did not have that in mind at all. I am not pressing this point. I simply bring it to the attention of the committee. There are cases where a man is not married and where it is very wise for him to hold the property jointly with his father or mother. It may be that the father or mother have put up most of the money that is in the house. Under this definition that soldier will be unable to get that credit to help with the home. It is just a matter whether the committee think he should be able to get it.

The CHAIRMAN: We might not be going very much further by saying "jointly with a dependent parent".

Mr. CROLL: No, no.

Mr. GUNN: You get into the realm of adjudication as to who is a dependent. It is bristling with difficulties.

Mr. CROLL: I think Mr. Green's point is well taken but, for instance, let us assume that the son is an only son and probably will ultimately get the property. It is in bad shape at the moment; it needs some work done and the son wants to use his credit for the purpose of fixing up the property, and the father will give him a joint tenancy and say, "After my death it belongs to you." If it is allowed to continue for many years more the property becomes almost valueless. Under the circumstances of that particular instance I could see where the soldier would be benefited ultimately or even at the moment and it might be advisable to extend it, but if you consider extending it to relatives we get over our heads very quickly. It might be considered wise by the committee to extend it to the father or mother with the soldier. These instances may occur to some other members of the committee.

Mr. FULTON: Would it not cover the case if we said "owned solely or in part by the member", and leave it at that? I think that would cover most cases. As Mr. Croll said we do not want to put him in the position where he may not eventually get the benefit himself. I think if his parents are living in most cases they would be willing to give him a part interest in the place. I do not think we would be excluding anything there and we are not making a too confined definition if we say "solely or in part".

The CHAIRMAN: The trouble with that definition is that with a tenancy in common he could transfer a one-hundredth interest; then you would satisfy the Act and you would have no real interest in it. I think you would open it too wide.

Mr. BENTLEY: How would it affect the soldier who wanted to join some kind of cooperative producing affair such as a cooperative farm?

Mr. CROLL: No, definitely not.

Mr. BENTLEY: Would it exclude him from that?

Mr. WRIGHT: If that is the case I think it should be widened to include it.

Hon. Mr. MACKENZIE: Gentlemen, I would like to say one word. This is a very fine conception of what parliament did before and I think we should be very careful not to spoil it by making it any looser than it is. We can amend it from year to year but if you open it up too wide you may destroy the whole thing.

Mr. BROOKS: The soldier has ten years in which to apply for the benefit and while he may not own the property today he may own it in four or five years time and get the benefit.

Mr. CHAIRMAN: May we take it that is carried as it stands?

Mr. WRIGHT: Mr. Chairman, I object unless this gratuity can be used in the case of soldiers who want to take up cooperative farming. I know there are going to be several cases in western Canada where soldiers are going to want to farm cooperatively, and I think they should be able to use this credit for that purpose. It is reasonable that they should.

Mr. GUNN: May I suggest, Mr. Chairman, that such a proposition as Mr. Wright advances might be considered under the category of a business, a partnership.

Mr. WRIGHT: Can it be? That is what I want to be sure of.

Mr. GUNN: I am not prepared to give an opinion whether the word "business" would cover a cooperative enterprise. I would not care to give an opinion offhand.

The CHAIRMAN: The only question is we have permitted them to go into a partnership. Would it cover a partnership? Up to now we have had a rule that it had to be his own business. Now we are going to extend it to include a partnership. Could you by any stretch of imagination call a cooperative enterprise a partnership business? I do not think so.

Mr. CRICKSHANK: If you do you lose the advantage of the income tax.

Mr. QUELCH: Under this would it be possible for two soldiers together to buy a house?

The CHAIRMAN: That would be a partnership.

Hon. Mr. MACKENZIE: I think this is as far as you can reasonably go. I am a believer to a certain extent in cooperative enterprises but I think you would be submerging the interest of the individual if you applied it to cooperative enterprises as such. I think if you limit it to a partnership you are going as far as you can.

Mr. BENTLEY: If it is passed as it is that means they are excluded from any idea of joining a cooperative enterprise?

The CHAIRMAN: Of putting their re-establishment credit into a cooperative.

Mr. BENTLEY: I think we will have to object.

Mr. WRIGHT: I want to object most strenuously because there are great numbers of soldiers coming back, and not only those who are going into farming, who are talking of instituting cooperative businesses of their own. I have heard of some talking of instituting a flying route on a cooperative basis.

Mr. CROLL: That would be a business.

Mr. WRIGHT: And entering into various types of businesses. I think they should be allowed to use their gratuity for that purpose if they wish to do so.

Mr. GUNN: May I suggest, Mr. Chairman, with all respect that we are considering the definition of "home". When we come to another section of this Act we will be considering the various purposes for which the credits can be used.

Mr. WRIGHT: You say "home" but it says also "land used therewith for the purpose of farming", which would include a farm.

Mr. FULTON: On that very point, if it is confined to farms I have had a discussion with the regional supervisors in my district. They say that while the purpose of the Act was to exclude partnerships and anything of that nature it was designed to protect the soldier so that he would not get into the hands of some unscrupulous individual, but they say if two soldiers want to come along together and express a desire to go into farming while the Act prevents them going in together they do not object in the least if, for the purposes of complying with the Act, each one owns a separate interest in a separate piece of property and they work it together as a cooperative, as a partnership. They will give them every assistance to get around the Act if it is a genuine case and there are two soldiers or more wanting to go in together, but they do want to protect against one soldier getting into the hands of some unscrupulous person.

Mr. WRIGHT: I agree with that.

Mr. FULTON: I think your objection is partly taken care of by the spirit of the supervisors.

The CHAIRMAN: I wonder if you would have in mind, Mr. Wright, that soldiers are going to own their homes cooperatively? We can cover the question of the business of farming by another section but this only has to do with homes. Did you have in mind they would own their homes cooperatively, too?

Mr. WRIGHT: No, it was farming. I should like to point out that this definition of "home" also has in it the words "land used therewith for the purpose of farming". That would include the whole farm.

The CHAIRMAN: As I understand it this is to give the right to use the credit to fix up a veteran's home, and I do not think that the intention was that homes should be owned cooperatively.

Mr. WRIGHT: No.

The CHAIRMAN: May we take it that this is carried then?

(Carried)

The next item is (k):

(k) "Home extension loan" has the same meaning as in The National Housing Act, 1944.

Mr. WRIGHT: What is that?

The CHAIRMAN: Are you prepared to explain that, Colonel Lawson?

The WITNESS: No, I am not.

The CHAIRMAN: Who is?

Mr. GREEN: I ask, Mr. Chairman, that we put the definition right in this Act rather than referring to another Act which may be changed from time to time. In two or three years from now we may find that the definition in the other Act does not suit this Act at all.

Mr. FULTON: Is this not designed to work with the Housing Act?

The CHAIRMAN: This is to provide that while that Act is in force they can get help under it.

Mr. CRUICKSHANK: As Mr. Green says that Act may change any time.

The CHAIRMAN: Then we can change this Act.

Mr. CRUICKSHANK: Why can we not change it right now?

The CHAIRMAN: This is to give the specific right to the soldier to use his credit under this very Act that has been passed by parliament. What is wrong with that? Is there any objection?

Mr. CROLL: What does it mean?

Mr. BROOKS: We should have the Act here.

The CHAIRMAN: Have we not got the National Housing Act?

Mr. GUNN: It is in the red book, page 111. The Act starts at page 115. There is a synopsis first.

The CHAIRMAN: The synopsis is at page 111 and the Act itself is at page 115. There is a certain Act passed by parliament providing for housing, and the purpose of this is to give the soldier the right to use his re-establishment credit to take advantage of this Act. "Home extension loan" is to be found at page 116.

(17) "Home Extension Loan" means a loan or a purchase of obligations representing loans or advances of money made by a bank or approved instalment credit agency for the purpose of financing the alteration of, or the making of additions to an existing home to add one or more family housing units thereto, but does not include a farm improvement loan as defined in The Farm Improvement Loans Act, 1944.

This is extending a further right. It does not take away anything.

Mr. CLEAVER: Would you consider adding the words, "and subsequent amending Acts" to both (k) and (l)? Then if the National Housing Act is streamlined in the future and additional improvements are made to it the veteran will still participate.

Mr. CROLL: The Act may be limited in future. It may be a limiting Act rather than an extension.

Mr. CLEAVER: You certainly could not take advantage of anything that is taken away, but the veteran might want to take advantage of improvements. If the Act is streamlined by further amendments then he will be able to do so.

Mr. GUNN: I think the streamlined editions would apply.

Mr. CLEAVER: I take it there will be no objection to adding the words, "the National Housing Act, 1944 and subsequent amending Acts".

Mr. GUNN: I do not see any objection. I do not think it is necessary for the reason that, as my friend knows, the Act speaks as of the date it is being considered.

Mr. GREEN: Why is it necessary to put these definitions in the Act at all? They are new definitions. Reading through the bill hurriedly I do not see where these words, "Home extension loan" and "home improvement loan" are used elsewhere in the bill.

The CHAIRMAN: Page 116 is home extension loan and home improvement loan is the next one.

Mr. WOODS: But where is it in the Act?

The CHAIRMAN: As I understand it it is put here so that the re-establishment credit may be used under these Acts. Is that not the purpose?

Mr. GREEN: This is the definition section that we are dealing with now. It defines these two clauses, but where do they appear elsewhere in the bill?

Mr. CLEAVER: In clause 9.

The CHAIRMAN: Did you have in mind the amendment to clause 9?

Mr. GUNN: I think the answer is that the regulations, or what will be left of the credit regulations, will use these words, these expressions, and we felt that for the sake of clarity it would be advisable to have them defined in the Act.

Mr. GREEN: There is no point in defining something that does not appear in the Act.

The CHAIRMAN: It is in the original Act, Mr. Green, page 547, re-establishment credit. It refers to the acquisition of a home under the National Housing Act.

Mr. GREEN: But it does not use the words "Home extension loan" or the words "Home improvement loan". Counsel has just said they only appear in the regulations. If that is the case then the definition should appear in the regulations and not in the Act where it is not connected with anything.

Mr. GUNN: There is just this difficulty that we may not have power under the regulations to define these terms.

Mr. GREEN: Why not?

Mr. GUNN: For the reason that the regulations at the present time are not broad enough to deal with anything in the nature of substantive rights. They deal only with methods of payment and that kind of thing.

Mr. GREEN: If that is true you will not get any more power by putting a couple of definitions in this Act that do not mean anything. That does not give you any additional power for your regulations. It only confuses the bill by putting in two definitions that are not needed.

Mr. CLEAVER: It might shorten and make for clarity in the regulations if they wished to use those terms in the regulations.

Mr. GUNN: I wonder if final consideration of those two expressions could be deferred until we look into the matter a little more carefully.

The CHAIRMAN: I am bound to say I wish when you are at it you would have in mind why it is put there at all because how could you use your re-establishment credit for making a loan that would come under the definition of "Home extension loan"? It seems to me that there must have been something else in mind altogether.

Mr. WOODS: It is intended to clarify section 9 (b) on page 7, repair or modernization of his home, is it not?

Mr. GUNN: Principally that, and I may add that these expressions were used in the order in council passed under the War Measures Act.

The CHAIRMAN: Perhaps it might be wise to adopt the suggestion of counsel to pass this over and get it cleared up. We will pass on to the next one, (m).

(m) "Member" and "member of the forces" mean any person who was on service in the forces during the war which commenced in September,

one thousand nine hundred and thirty-nine, and include any person who served in the Canadian Women's Army Corps since the thirteenth day of August, one thousand nine hundred and forty-one.

You will find the explanation of that on the opposite page. It is intended to clarify the date from which C.W.A.C. personnel are on service in the forces.

Mr. CRUICKSHANK: What is the matter with the Wrens? Do they not come under this?

Mr. SINCLAIR: They are a part of the navy, and the W.Ds are a part of the air force but the C.W.A.Cs are not a part of the army.

The CHAIRMAN: The C.W.A.Cs were not actually a part of the army. Is that not correct?

The WITNESS: Yes.

Mr. FULTON: What about the case of the fairly large number of girls who went over to England and enlisted in the F.A.N.Y., the transport section of the A.T.S.?

Mr. CROLL: They were a civilian group.

The CHAIRMAN: If they were actually in the armed forces they would be covered but if they were not they would not be.

The WITNESS: That is right. The Wrens, the W.Ds and the C.W.A.Cs are now part of the armed forces of Canada, but when the C.W.A.C. was first formed they were not part of the armed forces and were not made part of the armed forces for about a year after they were originally established.

Mr. FULTON: Is it the intention to include those girls who went over and joined the transport section of the A.T.S.?

The WITNESS: I could not say whether they are included or not. That would depend on whether they were members of the forces. They would be members of the United Kingdom forces. That is a point that might be given some consideration, whether we intend to extend the gratuity to women domiciled in Canada who have joined United Kingdom women's services. We have recently had that question referred to us for an opinion as to whether they are entitled, and the only answer we could give was that it should be referred to the war office for their views as to whether A.T.S. and other women's forces in the United Kingdom are part of the armed forces. It may be their answer will be they are not and in that event it would appear that they would not be entitled to the gratuity. Some amendment to the Act to cover it might be desirable.

The CHAIRMAN: We were figuring that we would bring the civilians in by some subsequent Act. It seems to me that we could consider that when we were considering that other Act. If that is satisfactory can we carry this section?

(Carried)

The next one is (o):—

(o) "misconduct" includes

- (a) the commission of an offence under the Naval Discipline Act, the Army Act or the Air Force Act, of which the member was convicted by a court-martial including, in the case of naval forces, a disciplinary court or of which he was found guilty upon summary disposition of the charge;
- (b) the commission of an offence of which the member was convicted by a court of competent jurisdiction;
- (c) such misconduct as might, in the case of an officer, result in his removal from the forces;

Now, might I say this: I think this clause is not the one which decides whether a man gets a gratuity or not. This defines misconduct, and if the committee feel that it is satisfactory as a definition of misconduct we could carry it because it really does not raise the question of what effect misconduct would have. In other words, the effect of misconduct is dealt with in another section.

Mr. SINCLAIR: Why is a special reference made in subsection (b) to this clause (c) to the commission of an offence of which the member was convicted by a court of competent jurisdiction; and in the following sub-paragraph (c) such misconduct as might, in the case of an officer, result in his removal from the forces. As we all know it is more likely to be a man who would commit misconduct rather than an officer.

The CHAIRMAN: Well, as you know, officers are sometimes permitted to resign. I would take it to cover any cases like that where he was permitted to resign.

Mr. SINCLAIR: That does not include the cases of airmen who were discharged for misconduct other than by a court martial or upon summary conviction.

The CHAIRMAN: In other words, the man is not found guilty of anything then.

Mr. SINCLAIR: Men are discharged for misconduct for no particular offence but for a long series of offences piled up. That would cover officers, but not airmen.

The CHAIRMAN: As I understand, if a man has been guilty of a long series of offences it is covered obviously by (a) because he has committed offences of which he was convicted either by court martial or summarily. In other words, he is guilty of misconduct if he is convicted of an offence.

Mr. SINCLAIR: Well then, almost anyone who was ever up before his O.C. on any kind of a charge at all and convicted would be guilty of misconduct.

The CHAIRMAN: This is just defining misconduct. We come later to a section where we will see what the effect of misconduct is. It seems to me that if this definition of misconduct is satisfactory we can at least carry it for the time being.

Mr. GUNN: Mr. Chairman, may I just point this out: (c) of that section reads, "such misconduct as might, in the case of an officer, result in his removal from the forces". Now, we use the word "may" to begin with, instead of "might". Then in the light of a possible extension of the powers of the board of review it was decided to put in the word "might" as being more appropriate. It seems to me that these questions ought all to be considered in the light of what powers are actually going to be given to this board of review that is contemplated.

Mr. WRIGHT: Mr. Chairman, in accepting this we accept the definition of misconduct as applied to the various forces—the navy, the army and the air force. Every one of them has a different definition of misconduct, and from the evidence given here the other day it was quite evident that the army, the navy and the air force are redefining their definitions of misconduct because of the effect it will have in this Act. It seems to me that in doing that they are probably losing some of the disciplinary effect of those regulations in their own forces to comply with the Act we are passing here, an Act which may be changed from time to time by parliament. I suggest that we should define misconduct for the purposes of this Act outside of the definition of the various forces.

The CHAIRMAN: Well, this thought has occurred to me. I can conceive of this committee making a decision which would make this definition not so important. Perhaps it might be a good idea to let it stand until we deal with the powers of the board of review and then we can come back to it after we have dealt with the main question. Is that satisfactory?

Mr. CLEAVER: This is a matter which becomes extremely important because in section 12 we find, "no seaman, soldier, or airman shall be entitled to any benefits under this Act if he has been charged—" and so on; and in subsection (b), for misconduct.

The CHAIRMAN: That is something further to a reference to the board of review. I suggest that we let it stand until we come to that section later on.

Mr. FULTON: The difficulty there is in getting a clear cut definition of misconduct. I suggest that we ought to deal with this section before we go on.

The CHAIRMAN: It is up to the committee. If it is the wish of the committee to carry this section now, we can always come back to it if changes made in the later section seem to warrant a re-consideration of this section.

Mr. CLEAVER: I think it would be safer not to carry it.

The CHAIRMAN: Then, it stands.

Now we come to section (p):—

(p) "overseas service" means any service involving duties required to be performed outside of the Western Hemisphere, and includes service involving duties required to be performed outside of Canada and the United States of America and the territorial waters thereof in aircraft or anywhere in a ship or other vessel, service in which is classed as "sea time" for the purpose of advancement of naval ratings, or which would be so classed were the ship or other vessel in the service of the naval forces of Canada;

And now, if we want to go into this question I think that it is better to go ahead with the second section, so we can go on now. We will let this misconduct section stand. It is up to the committee. We can either consider the question that we have spent so much time on right now, or we can go on and consider this question of overseas service and that sort of thing. Is it the desire of the committee to settle this question of the board of review and what power shall be given to it? Shall we do that now, this morning; or start discussing it; or continue and go on to the second section?

Mr. SINCLAIR: I suggest that it would be better to go on to the second section.

The CHAIRMAN: Very well then, section (t): "Western Hemisphere" means the continents of North and South America, the islands adjacent thereto and the territorial waters thereof, including Newfoundland, Bermuda and the West Indies, but excluding Greenland, Iceland and the Aleutian Islands." Perhaps it might be a good thing now to have it explained by Colonel Lawson.

The WITNESS: Well, sir, the definition I think is quite clear. It is designed to class as overseas service any service performed outside of the Western Hemisphere or service performed in a ship; in what we might call a warship.

Mr. BROOKS: Do you define "service" anywhere?

The WITNESS: Yes. "Service" is defined in (s). It also covers air crew who are flying from the east or the west coast on anti-submarine patrol; they receive the gratuity at the overseas rate. And the same thing applies to naval officers and ratings posted to either the east or west coast whose duties require them to serve on the ocean on anti-submarine patrol, including overseas.

Mr. CLEAVER: It does not include service in Newfoundland?

The WITNESS: No.

Mr. PEARKES: I would like to raise the question of the Aleutian Islands. We have troops who went to Kiska and Attu; and Attu is actually not in the Western Hemisphere at all, except for the fact that the date line takes a jog along that line. The air force personnel and the navy personnel have decided to give credit for flying over the Aleutians, and I do not see why the same thing should not be extended to the soldier who was there and subject to much worse hardship. He should also be entitled to receive similar benefits.

Mr. CRUICKSHANK: That is covered in this section, is it?

The CHAIRMAN: It is covered in sections (s) and (t).

The WITNESS: Particularly (t), sir.

The CHAIRMAN: Is it satisfactory to call (p) carried?

Mr. LENNARD: No, Mr. Chairman; what do you consider territorial waters, three miles?

The WITNESS: Three miles, I think.

Mr. LENNARD: For instance, the St. Lawrence is considered territorial waters?

The WITNESS: Yes.

Mr. LENNARD: You take the seamen who were on vessels, naval vessels operating in the St. Lawrence, and around Newfoundland and around our coasts, they were absolutely on active service.

The WITNESS: They are covered, sir. You see it says, "or anywhere in a ship or other vessel, service in which is classed as 'sea time' for the purpose of advancement of naval ratings, or which would be so classed were the ship or other vessel in the service of the naval forces of Canada."

Mr. LENNARD: I see.

Mr. WINTERS: May I have the last clause of that section? Do I understand that to be, "ship or other vessel, service in which is classed as 'sea time', etc."? I do not understand that.

The WITNESS: That is to cover the case of members of our naval forces attached in most cases to royal naval service, on a particular ship in the Royal Navy where that might not be classed as sea time by the Royal Navy but service on a similar type of ship in the Royal Canadian Navy would be classed as sea time, and that is intended to cover that specific case.

By Mr. Fulton:

Q. Would that cover the case of those boats operating out of Halifax?—A. That would depend entirely, sir, as to whether the service of those vessels would be counted as sea time by the Royal Canadian Navy.

By Mr. Cruickshank:

Q. A man serving in Washington would be on active service?—A. He is on active service.

Q. Would he get that overseas pay?—A. He is on active service and gets a gratuity, but he does not get the overseas rates.

Mr. FULTON: Is there anybody here who can say whether a man serving in the naval service would get the overseas allowance?

The CHAIRMAN: Could you tell us that, Mr. Langlois?

Mr. LANGLOIS: Yes, he does.

The CHAIRMAN: Well, then, can we declare that section carried?

Mr. MCKAY: Is there any minimum time qualification required for overseas service? I have it on fairly good information that certain individuals went

overseas, it may be unnecessarily, and immediately they arrived over there they became pensionable under the Pensions Act. Whether they stayed one week or six years it worked out exactly the same. It seems to me there should be some minimum time qualifications. If a man only goes over for a trip it should not be classified as overseas.

The CHAIRMAN: That is a matter for the Pension Act.

Mr. McKAY: In my opinion the ramifications are there.

The CHAIRMAN: Under this they would only get gratuity for the time they were actually overseas.

Mr. McKAY: I quite agree with that, but this is a definition for overseas service.

Mr. SINCLAIR: For this Act?

Mr. McKAY: Yes, for this Act.

The CHAIRMAN: Would you suggest that a person who spent three months in England should not get his extra \$7.50?

Mr. McKAY: Certainly not.

The CHAIRMAN: That is the purpose of this thing, to give them that extra pay, so I understand it.

The WITNESS: That is right, but he only gets it for the actual time he is there.

The CHAIRMAN: May we declare that section carried?

(Carried)

We now come to section 2:—

2. Section three of the said Act is repealed and the following substituted therefor:

“3. (1) Subject to the provisions of this Act, every member of the forces shall, upon discharge, be entitled to be paid a war service gratuity at the rate of seven dollars and fifty cents for every completed period of thirty days of service, and an additional sum of twenty-five cents for every day of overseas service which falls within such periods.

(2) In addition to the amounts mentioned in subsection one of this section, every member of the forces whose service includes overseas service shall, upon discharge, be entitled to be paid for each period of one hundred and eighty-three days of overseas service and proportionately for any less period, an amount computed on the basis of seven days' pay and allowances that were payable to or in respect of him at the date of discharge.

Would the committee like to have any explanation on that, or is that clear?

Mr. GREEN: That is taken from the regulations?

Mr. GUNN: That is right, sir.

The CHAIRMAN: May we declare that carried?

(Carried)

The CHAIRMAN: The next is section (r):—

(r) “purchase of a business” includes the purchase of an interest in an existing partnership and the advance of capital for a new partnership, if the partnership business is to be the main occupation of the member and he intends to participate actively in that business;

Mr. WRIGHT: That brings up again the question of cooperatives. As I understand this clause it does not include cooperatives; a group of returned men wishing to enter into a cooperative business could not do so under this section.

Mr. WOODS: Mr. Chairman, the reference here is to partnership, and co-operative is another matter; but so long as the individual share or partnership is determined and defined, certainly the credit can be used for that type of partnership. There may be three or four, or half a dozen in a partnership, but so long as the particular interest is preserved and not submerged the credit may be used.

Mr. WRIGHT: It would be preserved in a co-operative.

Mr. WOODS: So long as the interest of the individual is preserved.

The CHAIRMAN: And so I think that would meet your point, Mr. Wright.

Mr. WRIGHT: If that is the legal opinion; I am not a lawyer.

The CHAIRMAN: As I understand these co-operative enterprises it is supposed to set us, the soldier would still own his own land and he would farm it.

Mr. WRIGHT: I am not thinking of farming alone, there are other businesses such as soldiers returning proposing to enter into say a garage business on a co-operative basis. I have heard several different types suggested.

The CHAIRMAN: I do not want anybody to be misled; I am satisfied, and counsel will correct me on this; but if they get incorporated under the Co-operatives Act in Saskatchewan to carry on a business their individual right would be lost in a co-operative; and obviously, at least so it seems to me, this would not cover such cases. For instance, suppose a group of soldiers decided to engage in a garage business on a co-operative basis, I do not think under this Act they would be entitled to benefit.

Mr. GUNN: I do not think so either.

Mr. McKAY: Why shouldn't they, in view of the fact that shares are issued the same as for any company?

The CHAIRMAN: Well, as to that, this would not cover a man taking an interest in a corporation either.

Mr. BENTLEY: I think you are perfectly correct. I am still wondering if there will be some provision made so they can enter the co-operative field there. I am not a lawyer but my understanding of it is that they could not do it under this.

Mr. GUNN: May I suggest, Mr. Chairman, that the proper time to consider the extension of the purposes for which credit may be used would be when we come to the clause which defines these purposes, which I think is clause 8.

The CHAIRMAN: I do not see any reason why, if the returned soldier wants to put his money into a co-operative business, we should not give them that right.

Mr. CRUICKSHANK: Why should we?

Mr. SINCLAIR: What advantage is to be gained by four or five soldiers grouping together to form a co-operative rather than a partnership? What is the difference?

The CHAIRMAN: That involves the question of looking into the whole purpose of co-operatives. We could discuss that when we are discussing what the money can be used for under section 8. In the meantime we can carry this section.

Mr. WINKLER: Before you carry this, I wonder how this section would apply in the case of a person who had previously taken up land under the Veterans' Land Act and whether, having taken up this land, they can engage in a partnership, such for instance as the seed business, which is becoming very common all through the dominion and offers almost unlimited possibilities. A good many people who own farms have branched into the seed business to a very considerable extent.

Mr. WOODS: May I point out that this has reference to the use of the re-establishment credit, and that any individual who has been settled under the Veterans' Land Act is not entitled to the credit.

The CHAIRMAN: May we declare this carried then?

(Carried)

The CHAIRMAN: And now comes the section (s):—

"service" means time served on active service in the forces

- (i) while enlisted or obligated to serve without territorial limitation;
- (ii) in the Aleutian Islands, the United Kingdom or the European or Mediterranean operational theatres; or
- (iii) while proceeding from Canada to any of the places mentioned in clause (ii) of this paragraph or returning from any of the said places to Canada.

Is that clear to everybody?

Mr. SINCLAIR: So far as this section is concerned, I recall very clearly that in the course of the conscription debate last fall there was a territorial limitation placed on these conscripts as to where they were to be sent; they were to go to Europe only, and not to Japan. I think that excludes them too, because there was a very definite territorial limitation placed on these men going to Europe.

The CHAIRMAN: Yes, but they would be covered by section 2, because service includes service in the Aleutian Islands, so that N.R.M.A. personnel who served in the Aleutian Islands could be paid for the time they were in the Aleutians, or if they served in the United Kingdom or Europe they could be paid for the time they actually served. That is the intention.

Mr. CRUICKSHANK: Then why could we not change it to read, who served in the Aleutians? Surely to goodness there is a difference between those who volunteered and those who just went out to, say, one of those islands a few miles from Vancouver to serve. It looks as though we can't stop them from getting paid now. The way we have the limitation there now it would include those who served along the coast on a little island only a few miles out.

The CHAIRMAN: There are three different categories: The first category is the volunteer; the second category would take in the person who served in these places like the Aleutian Islands, the United Kingdom and so on. I am sure that no member of the committee would want to deprive those boys.

Mr. CRUICKSHANK: That is not the point, Mr. Chairman. The way it reads now, "while enlisted or obligated to serve without territorial limitation; in the Aleutian Islands, the United Kingdom" and so on—when you say "without territorial limitation" why go further and qualify it? If there is no territorial limitation, then why put it in at all? Take the case of the man who went to the Aleutian Islands, they did not agree to go there, nor did they agree to go to Europe or to Germany where the volunteers went. We should not kid ourselves—

The CHAIRMAN: I do not follow you at all.

Mr. CRUICKSHANK: My point is, that you do not need that in there.

Mr. CHAIRMAN: It is defining service, it defines—

Mr. CRUICKSHANK: You don't need that "without territorial limitation."

The CHAIRMAN: Surely it is not suggested that you want to take away from that group that modest \$7.50 per month when they volunteered only to serve in Canada?

Mr. SINCLAIR: Well, this does not say "volunteered".

The CHAIRMAN: Well, "enlisted to serve without territorial limitation".

Mr. SINCLAIR: Why not say, any man who enlisted for general service, instead of putting it as it is here, "enlisted—to serve without territorial limitation". The point I am trying to make is this, that the one covers volunteers and the other does not. I think those in whom we are particularly interested are the men who volunteered for service anywhere. Then, sub-clause (ii) specifically denotes certain N.R.M.A. men.

The CHAIRMAN: It does not cover them, because they were not obligated to serve, "without territorial limitation". It is conceivable that the government of Canada might delegate people to serve "without territorial limitation". It has not been done as yet, but it is conceivable that it might be done, and probably that is why it was put in. However, I suppose it is just putting words in that do not convey any right at all.

Mr. GREEN: Does that not cover the militia men who were called up and put on active service under the army act?

Mr. SINCLAIR: But the militia were only used during the first day of the war.

Mr. GREEN: Some of the men were put on active service under some particular section of the Militia Act.

Mr. BROOKS: I think it is section 39.

Mr. GREEN: Perhaps it was intended to cover them.

The WITNESS: I think the reason the words "or obligated to serve" were put in the original bill was to cover the possibility that personnel might be obligated to serve anywhere; and that, of course, did not happen. But it may be as you have suggested, sir, that it is quite consistent, and that it would cover people called up under G.O. 139. Those were members of the reserve army who were called out for temporary full time service. I think probably that covers them, and perhaps should be left in for that reason.

Mr. SINCLAIR: Aren't they general army, general service? They enlisted.

The WITNESS: I suppose that is true.

Mr. CRUICKSHANK: Yesterday in the House the Minister of Defence said, and I think probably you all heard this, that the general regular army man had to go active. In other words, a policeman does not have to be sworn in especially to arrest a murderer. What I am trying to get at is, there is no need to classify an N.R.M.A. man whose active service is limited to Canada by definition in this Act with a volunteer who joined up in 1939.

Mr. GUNN: Do I understand, Mr. Chairman, that Mr. Cruickshank has suggested that sub-clause (ii) is superfluous?

The CHAIRMAN: No, it says, "obligated to serve without territorial limitation"; he says there is no need for that.

Mr. GUNN: Does it not follow that this subsection might be superfluous?

The CHAIRMAN: I am not so sure about that, Colonel Lawson; a person called up under G.O. 139 might be obligated to serve wherever you sent him. It was a special order in council giving the right to call people out for service for special service. If they were called out for that service I do not see where any harm is done by leaving this in. But that is just the way it looks to me. It covers cases where men might have been called out. I do not know whether they were or not.

Mr. GUNN: I think the words are superfluous, but if there is some added protection by having them in, I do not see that they do any harm.

Mr. CRUICKSHANK: Well, if it would give you any satisfaction, leave it in.

Mr. GUNN: I would suggest, sir, to make it absolutely clear, that something should be inserted at the end of sub-clause (i) to make it clear that sub-clause (ii) is in no sense dependent on sub-clause (i).

The CHAIRMAN: We do not want to carry anything that offends the sensibilities of any member of the committee.

Mr. GREEN: Why not find out if that word "obligated" is necessary?

The CHAIRMAN: I wonder if there are any others here who can give us the terms of G.O. 139.

Mr. QUELCH: I think the word "or" in there should be satisfactory.

The CHAIRMAN: Is it satisfactory to put in "or" after (i)?

Mr. FULTON: Yes.

The CHAIRMAN: May we declare it carried then?

Mr. CRUICKSHANK: "or" after where?

The CHAIRMAN: After sub-clause (i) and before sub-clause (ii), put the word "or" in there.

Mr. BROOKS: My recollection is that a good many of the men who were called up under G.O. 139 did not actually go on active service; they were used at training centres. There were a lot of men called up under G.O. 139. A lot of them, most of them, went active, but a good many of them stayed on active service here throughout the war and they remain under G.O. 139.

Mr. CRUICKSHANK: Oh, no, they were not active service.

The WITNESS: They were active service in the sense that we are using active service in this Act; that is, they were on full time service during the emergency.

Mr. BROOKS: They were not obligated to go overseas at all.

The WITNESS: They were obligated to go overseas in this sense—

Mr. BROOKS: Under 139?

The WITNESS: Not under 139.

Mr. BROOKS: That is what I say. 139 was not active service.

Mr. VIAU: G.O. 139 was for Canada only. When they proceeded overseas they had to sign new documents to go active.

The WITNESS: That was a matter of government policy. They could not call out anyone under 139 who was not enlisted in the reserve army.

Mr. MUTCH: But there is no obligation on N.P.A.M. personnel to go overseas without re-enlistment. These men called out and enlisted under G.O. 139 were called out for service in Canada and it was expressly stated they would have the same benefits as if they were on active service.

The CHAIRMAN: If the argument is correct then those under G.O. 139 were only obligated to serve in Canada and they are not covered by subsection (i) and apparently they are not covered by the section at all. In other words, by putting that in the way it is worded they would not be covered by the section at all.

The WITNESS: That question has been referred to us and we have ruled in our office that people called out under G.O. 139 are covered by those words, "while obligated to serve without territorial limitation".

Mr. MUTCH: What is the authority for that?

The WITNESS: Because they have been enlisted in the army and their original enlistment was without territorial limitation. The army, as you have stated, called them out under G.O. 139. G.O. 139 did not contain any obligation to serve outside Canada but their original enlistment did.

Mr. VIAU: But under G.O. 139 they never signed any such document.

The WITNESS: They had signed when they originally joined the army. True it was likely before the war but at the time of the original enlistment they had obligated themselves to serve anywhere.

Mr. VIAU: They never took the oath to serve on active service beyond territorial waters.

The WITNESS: They do not have to do so. That is automatic under the Militia Act.

Mr. WINTERS: Nobody went overseas on the strength of their reserve army enlistment.

The WITNESS: That was a matter of policy, not a matter of law.

Mr. WINTERS: Is there not an inconsistency there?

The WITNESS: No, I frankly do not see it. People called out under G.O. 139 had voluntarily come forward and enlisted in the army for service anywhere.

Mr. WINTERS: That is the way it is in theory but in actual fact anyone who went overseas had to re-enlist whether they were in the reserve army prior to the war or not.

The WITNESS: Quite so, but that was not the fault of the man himself. He had volunteered to serve anywhere.

Mr. WINTERS: I think you are drawing a fine line.

The WITNESS: I think it is clear as a matter of law. I grant that as a matter of policy it is not so clear but as a matter of law I do not think there is any doubt.

Mr. GREEN: I think a word should be said for these men. I know in our province most of them were instructors, men who were too old to go overseas. They served for quite a long time and gave very good service. They have been discriminated against in other ways, in the matter of medals and allowances, and different things of that type. I do not think they got the clothing allowance. I think they have been very harshly treated actually and they should be covered by this Act. If it is necessary to leave in those words, "or obligated" to cover them I suggest that we leave them in.

Mr. LENNARD: Many of these chaps have tried to enlist in different ways four or five times and were turned down. All they could do was to be active in the reserve army, and I think they should receive every consideration.

Mr. BELZILE: Do you not think we could cover the matter by adding the words "and or" and making it read "while enlisted and or". Do you not think that would cover the case?

The CHAIRMAN: The way it is now, Mr. Belzile, if a man has enlisted to serve without territorial limitation he is in. That takes in everybody who enlists, if he is obligated to serve without territorial limitation then he is covered, too, so that you have got everybody in there. The purpose of this is to make sure that you miss nobody. I do not see why there should be any objection to trying to have the Act include everybody.

Mr. BELZILE: That is why I want the word "and" put there.

The CHAIRMAN: "And" would not increase it because "and" would say they had to be both.

Mr. BELZILE: "And or".

The CHAIRMAN: "And" would not help you at all because it applies to one or the other, and if you say "and" then you are suggesting that it has to be both. I think that is quite clear.

Mr. CRUICKSHANK: It covers everybody now.

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: Including these fellows down at the Lord Elgin.

The CHAIRMAN: May we declare that carried?

(Carried)

The next one is (t).

- (t) Western Hemisphere means the continents of North and South America, the islands adjacent thereto and the territorial waters thereof, including Newfoundland, Bermuda and the West Indies, but excluding Greenland, Iceland and the Aleutian Islands.

Mr. MUTCH: Mr. Chairman, I do not like the inclusion of service in Newfoundland in the western hemisphere. I should think that anyone who saw that last place God made during the time of war service, particularly those who spent a long period of time there as some of our air force personnel did and, indeed, some of the army, and who saw the situation which obtained in England during the first three and a half years of Canadian participation in the war, would probably think in the back of their mind that it was the worst spot outside of actual combat that Canadians served in at any time during that period. There is another very real reason for excluding Newfoundland from the western hemisphere because at the beginning the government itself for the purposes of income tax and other considerations did exclude Newfoundland from the western hemisphere. I suggest to you that the facts are not lacking in relationship. I think it was the decision to include Newfoundland in the western hemisphere for the purposes of income tax that probably had an influence on bringing it into the western hemisphere from the point of view of service. There were actually a considerable number of casualties among the people who served there, both going and coming and on service from the shores of Newfoundland. All the conditions of blackout and general misery were at least as difficult, in my opinion, as they were during that early period in England or in some other more distant waters. I think that the committee ought to give serious consideration to a recommendation that for the purposes of this Act Newfoundland should be excluded from the western hemisphere as defined.

Mr. WINTERS: Labrador should be included with that, too.

Mr. MUTCH: I cannot speak from experience as to Labrador. I never saw Labrador but I did see the other place.

Mr. WINTERS: Labrador is not mentioned specifically and I think it should be.

Mr. JUTRAS: I think the air force considered Newfoundland as overseas service originally. I wonder if there is anybody who remembers the date when the air force stopped considering Newfoundland as overseas service.

Mr. SINCLAIR: When you are speaking of Newfoundland the bush stations on the west coast of British Columbia are exactly the same. Air crew flying out of those stations get \$15 per month. I doubt whether any of those air crew ever saw the enemy and yet they get the \$15 gratuity. As far as the ground crew were concerned it was better to be with the ground crew in England or the Middle East than to be ground crew on the stations in the Queen Charlotte Islands, for example. The air force recognized that in a variety of ways as far as giving special leave, isolation leave and rights of posting that even overseas personnel have not got. I think the time has come for us to recognize that there were places just as unpleasant and just as lonely without any war as there were overseas.

The CHAIRMAN: Your difficulty there is that the air force man because he flies beyond territorial waters gets consideration on the basis that he has been overseas whereas the infantry soldier who stands guard from year to year is not overseas, of course.

Mr. WOODS: It is only air crew.

The CHAIRMAN: Then if you start talking about treating people with difficult or isolated service in Canada as if they were overseas you are going to raise administrative problems that I fancy are going to be pretty difficult to solve.

Mr. CRUICKSHANK: Let it carry as it is. If you bring anyone else in you have to bring in others in Churchill and a few other places.

Mr. GREEN: It means this, that if Mr. Mutch's suggestion is accepted a man gets the same gratuity for serving in Newfoundland as he would get for serving in the front line.

Mr. MUTCH: That is perfectly true, but at the present time a man gets the same gratuity for having a comfortable job at C.M.H.Q. for four years as he does for spending three and a half years in the front lines.

Mr. GREEN: He is bombed there.

Mr. MUTCH: You are just as dead if you get torpedoed or if you make a crash landing coming in on Newfoundland as if you are bombed in England. Service personnel were lost in transport from Sydney to Newfoundland. They were lost in transit by air and many of them were killed in operations from Newfoundland.

Mr. GREEN: They get killed on the roads around Ottawa.

Mr. MUTCH: If you want to carry it to absurdity, all right.

Mr. CROLL: I think there are some implications here that we should consider. We must first consider the fact that this war is a little different from the last war.

Mr. CRUICKSHANK: Not quite as tough.

Mr. CROLL: All right, I will take your word for it. It is not so much a question of gratuity. I do not think that the air force are particularly interested in that although they want their gratuity and they are entitled to it. It seems to me that a man who flew through the soup on submarine patrol off Newfoundland or in the bush country in the northern part of British Columbia or off the Queen Charlotte Islands, for instance, is deprived of the over all rights that he has under the Civil Service Act.

Mr. GREEN: He is covered under this Act

Mr. CROLL: There are other implications. Take the air force man. As my friend pointed out he is doing very dangerous work. It is just as dangerous as flying over the English channel. It is in the middle of war yet at the same time when he comes to his country later on and asks for the right to get a government job he is told, "You have not had overseas service". I think we must consider these things in the light of all circumstances rather than one. It is a different sort of service, but on the other hand it was just as dangerous, just as precarious as the service which was performed in other parts. I think we ought to give this matter a little consideration and thought, particularly as it affects the air force and involves a great number of people. It is not so much hardship of service we must consider. I mean a man there was away from home for a great length of time. He was deprived of a great many other things that he would ordinarily have. It seems to me that if we can extend this to give them an even shake as far as possible we ought to do it. If we can possibly consider the extension of this to include these out-of-the-way places we ought to do it.

The CHAIRMAN: Would you include in that service in the Queen Charlotte Islands of British Columbia?

Mr. CROLL: From everything I heard from the boys up there when I was up in the district I should think that the service there was just as tough as some of the service I saw overseas and their losses were just as great. As a matter of fact, the going was much tougher. I think General Pearkes ought to say something about it because he knows something about that situation. It is not for me to say. I served under him and he would know more about it than I would, but I think his views on this question would be very useful to the committee.

The CHAIRMAN: You have views on it, too. How do you think a man who served in the forward area would take it if a man who served in the Queen Charlotte Islands during the war got the same gratuity he got?

Mr. CROLL: The man in the forward area is interested in getting his gratuity, and I do not think he is at all upset about another man on active service getting the gratuity. In considering service I think we ought to do it in the light of our experience rather than in the light of the written word.

Mr. Mutch: Mr. Chairman, do you not think that once again we are inclined to forget that you cannot disassociate gratuity and credits from rehabilitation? I may be at odds with the committee, but if a man has served for five years in Newfoundland, for instance, or any other similar spot the problem of his rehabilitation and re-establishment is just as much a Canadian problem as is the problem of a man who served in an active theatre of war and may, indeed, have been a casualty. I think we are putting too much emphasis on what we are pleased to call meritorious service. The idea creeps in that a man must have been wounded, or something of that description, in order to be on all fours with other people. The re-establishment of a man who has spent five lonesome years in Newfoundland is just as important a matter as the re-establishment of a man who was wounded in another theatre. It is an accident of service in most cases. Men go where they are sent and do what they are asked to do. Their place in Canadian life afterwards is as important to them, to their families and the community as a whole.

The CHAIRMAN: You would apply it to a man who was obligated to serve in Victoria, for example, far from home?

Mr. Mutch: That, Mr. Chairman, is simply carrying the matter to extremity.

The CHAIRMAN: I am trying to follow your argument. You say it is a matter of re-establishment, that it is important to get him re-established. Surely a man who is serving any place in Canada away from his home and business has got to be re-established. I am just following your argument. I wonder how far you want to carry it.

Mr. Mutch: I am afraid if it were my responsibility I would carry it all the way.

Mr. FULTON: It seems to me that is taken care of with the basic rate of \$7.50. Surely your argument is taken care of by the basic rate of \$7.50. That is what was fixed as a rehabilitation measure. Then to reward those with meritorious service who went overseas they were given an extra 25 cents a day.

Mr. SINCLAIR: I should like to follow up Mr. Croll's point. I think one thing we need in our Act is some consistency. Here we have the air force giving a man an operational wing for flying out of the Queen Charlotte Islands just the same as a man doing sweeps over France, but as far as the Civil Service is concerned despite the fact he has the operational wing and the 1939-1945 star he is not regarded as having had overseas service. When you are talking about overseas service as compared to service in the Queen Charlotte Islands, for example, for the last year of my service I served on the west coast and I would say that 97 out of 100 men on those bush stations were clamouring to go overseas to get away from the bush stations. Men in Victoria and Ottawa are not so keen to get away. The cocktail parties tell you how keen they are. The loneliness of the bush service does make men more in need of rehabilitation than many of the men coming back from overseas. We do not have many men coming back from overseas who are bushed, but there are more psychiatric cases on the west coast than anywhere else. I think Mr. Croll has raised a good point as to having some consistent definition right through as to what overseas service is. We have the air force giving an operational wing for service out of the Queen Charlotte Islands, and I think it is up to us to regard that service as overseas as far as gratuities are concerned.

Mr. TREMBLAY: In support of what Mr. Sinclair has just said I personally have known of a number of air force boys who were stationed in Newfoundland

and were trying to get overseas. As a matter of fact, I had a letter from one of the boys telling me to see Chubby Power personally and if they did not send him overseas he was going to desert. I think Newfoundland as well as these islands on the west coast should not be included in that definition of western hemisphere on account of the service these personnel rendered and the conditions under which they were called to serve through no fault of theirs.

Mr. LANGLOIS: I think if we are going to follow this principle in talking about territorial limits of looking at the hardship of the service that the same principle should apply to navy personnel who had to serve at out-of-the-way spots and outpost stations. We had some in Labrador and I think we had some on the west coast.

The CHAIRMAN: I wonder if the committee has considered the people who served on the experimental stations in Alberta in regard to gas where they had very great danger at times. I think it will be found that this thing has been examined and examined year after year to try to define this elusive difference between one and the other. In the last war we said that you had to get to England. In this war we have made some exceptions by saying that in the air force if you flew out over the Atlantic or if you were on a ship in the navy and had service classed as "sea time" it was just as dangerous as if you were in England. Now, if you bring the air force into the picture in the Queen Charlotte Islands you certainly have to bring the army into the picture.

Mr. CRUICKSHANK: Hear, hear.

The CHAIRMAN: Once you bring the army into the picture in the Queen Charlotte Islands you are going to have the matter brought up to apply it to outlying spots in different parts of Canada. If anybody can figure out a formula that will do justice then I am sure everybody would be pleased to have them advance that formula.

Mr. MUTCH: You would not suggest we should abandon the idea if it is right in principle because it is difficult to do.

The CHAIRMAN: If it is impossible to do it there is no use in spending too much time on it.

Mr. JUTRAS: On this question raised by Mr. Sinclair and Mr. Croll I think this principle is already recognized in (p) by the definition of "Sea time" in the navy because under that section I understand that those who served on ships in dangerous waters around the St. Lawrence qualify for active service. That would be more or less the same principle as would apply to those who served on difficult stations in Newfoundland or somewhere in British Columbia. I am not against the idea of giving this to the sailors who served on these ships. I certainly think they should be classed as overseas service.

Mr. FULTON: That is active service.

Mr. TREMBLAY: Could you not give them in this bill at least the same consideration that their service has given them? The air force considered that they were on an equal basis with overseas service when they were in such places. Why not recognize it?

Mr. CRUICKSHANK: Then you have to bring the army in.

Mr. SINCLAIR: The point is that the navy has set up their standard, as Mr. Jutras has said, and I tell you the air force set up their standard because they had certain stations which they regarded as isolated stations from which people got extra leave and extra consideration as far as posting when they returned from this service. They got operational wings. So it is apparently only the army, and the army may have standards, too, for certain isolated stations and service in Canada. As far as the navy goes we have already covered the navy in this added clause, and certainly as far as the air force the problem is not as difficult as you suggest.

The CHAIRMAN: What would you suggest as an amendment?

Mr. SINCLAIR: I would accept the air force definition for time spent on air crew or ground crew in those stations which have been defined by the R.C.A.F. as isolated stations.

Mr. QUELCH: How about letting that section stand and let them bring in a recommendation at the next sittings?

Mr. PEARKES: First of all I must agree with Mr. Croll when he says that in some of the stations on the west coast of British Columbia conditions there were worse than conditions in England, but at the same time I cannot agree with the idea that the gratuity credit should be increased to the overseas credit because I believe there were compensating conditions such as the greater amount of leave which was granted to men in Canada—I just mention that as one example—as compared to the leave which men got in England. I find it extraordinarily difficult to know where you are going to draw the line. The hardest hit of all were the French-Canadians who were serving in British Columbia. They were three thousand miles away from their homes. It did not matter a bit whether they were serving on the Queen Charlotte Islands or such other places as Terrace, Prince George, Vernon and even that delightful place, Nanaimo. They were far away from home and they were experiencing all the domestic difficulties of men serving overseas. While you might offer to French-Canadian soldiers increased gratuities for serving at Nanaimo I do not see why you should offer to the Nanaimo soldier increased gratuities for serving at Nanaimo.

Mr. LANGLOIS: Referring to Mr. Sinclair's remarks about the navy being covered under the definition in (p) personnel serving at these isolated stations which I have mentioned previously are not covered under (p).

The CHAIRMAN: I wonder if the deputy minister would like to say a word on this matter.

Mr. WOODS: I hesitate to express any opinion that would leave the impression in the air that I am trying to conserve public funds or act as the watch dog of the Treasury. I should like to say that overseas service under the Veterans Allowance Act and the Pensions Act in the Great War meant service in the zone of the allied armies on the continent of Europe and did not include England. Overseas service all through veterans' legislation has been a matter of hazard rather than discomfort, a matter of risking his life. That is why men in the navy who went beyond the three-mile limit on a sea-going ship of war were considered to have seen overseas service while the soldier in the transport who crossed over to England was not so considered. The sailor was at sea all the time presumably and his life was exposed all the time. It has been a matter of hazard. That is the reason why I believe Newfoundland was excluded this time while seamen no matter where they are or men who are on operational flights on both our coasts are looked upon as having had overseas service. It is a case of the hazard to their lives in the occupation they were following but not discomfort or the fact they were living in a rugged district deprived of the comforts and luxuries of home and so forth. It is a matter of the actual risk they are undergoing. When it comes to the Civil Service preference I want to say there that the more you broaden the civil service preference to include thousands who served on this continent the more you take away and narrow the preference to the man who actually did the fighting on the front line.

The CHAIRMAN: I fancy there is considerable difference of opinion and that some are not convinced. Is it the desire of the committee to discuss this further, let it stand or vote on it?

Mr. BROOKS: I think we had better vote on it.

Mr. CRUICKSHANK: Vote on it.

The CHAIRMAN: Do you wish a recorded vote or a show of hands?

Mr. CRUICKSHANK: Mr. Chairman, I move on a recorded vote that the section stand as it is.

The CHAIRMAN: As I understand it if a member of the committee wants a recorded vote he has a right to it.

Mr. MUTCH: If there is a seconder for that I will move an amendment that Newfoundland be excluded.

The CHAIRMAN: I was going to put your amendment. Your amendment included Newfoundland?

Mr. MUTCH: Yes, include that in western hemisphere.

The CHAIRMAN: That would be classed in the same category as Greenland, Iceland and the Aleutian Islands?

Mr. MUTCH: That is my amendment.

The CHAIRMAN: Now, gentlemen, you have heard the motion and the amendment by Mr. Mutch—was it seconded?

Mr. GREEN: I will second the motion by Mr. Cruickshank.

The CHAIRMAN: And your motion was to let the clause stand as it is?

Mr. CRUICKSHANK: Yes, I moved that the clause be taken as it stands.

The CHAIRMAN: And then Mr. Mutch moved an amendment that we include Newfoundland with Greenland, Iceland and the Aleutian Islands. Is that clear, as to the effect of the amendment of Mr. Mutch?

Mr. BENTLEY: May I ask this before you put the amendment: does that include Labrador?

The CHAIRMAN: I suppose so. Labrador is a part of Newfoundland, as I understand it.

Mr. MUTCH: Geographically, it is.

The CHAIRMAN: It was allotted to Newfoundland by the Privy Council; isn't that correct?

Mr. GREEN: I am afraid that I could not answer that definitely.

Mr. WOODS: It is a part of the mainland.

The CHAIRMAN: I am not sure; it depends on what you mean. I do recall that Labrador was allotted to Newfoundland by the Privy Council. Whether we in this Act are to include it or not, I do not know.

Mr. FULTON: Labrador is part of Newfoundland.

Mr. BENTLEY: That is the reason for my having asked the question. I want to know where I am at.

Mr. QUELCH: Say the island of Newfoundland.

The CHAIRMAN: Was there a seconder for the amendment by Mr. Mutch?

Mr. TREMBLAY: I second it.

Mr. QUELCH: Will you just read the amendment again, please?

The CHAIRMAN: The amendment is:—

(t) "Western Hemisphere" means the continents of North and South America, the islands adjacent thereto and the territorial waters thereof, including Bermuda and the West Indies, but excluding Newfoundland, Greenland, Iceland and the Aleutian Islands."

That is the way you want it to read, Mr. Mutch?

Mr. MUTCH: That is my amendment.

The CHAIRMAN: Are you ready for the question?

(On the amendment being put it was declared lost on a show of hands.)

The CHAIRMAN: Now, gentlemen, are you ready for the question on the main motion?

Mr. CRUICKSHANK: I want this to be a recorded vote.

The CHAIRMAN: You want a recorded vote on your motion?

Mr. CRUICKSHANK: Yes.

The CHAIRMAN: All those in favour of the motion being carried will please rise?

Those opposed?

Mr. CRUICKSHANK: I will withdraw my request for a recorded vote.

The CHAIRMAN: I declare the motion carried.

I want to thank members of the committee for being here promptly on time. We will now adjourn until Thursday at 10:30 o'clock a.m. I understand that this room will be used by Mr. Greber Thursday but we can probably find another room in which to sit. You will all receive a notice as to the place of our meeting.

The committee adjourned at 12:40 o'clock p.m. to meet again Thursday, October 25, 1945, at 10:30 o'clock a.m.

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H. S. Veterans Affairs, & Soc. Office on,
1945
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SESSION 1945
HOUSE OF COMMONS

(SPECIAL COMMITTEE)

ON

(VETERANS AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

THURSDAY, OCTOBER 25, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs;
Brigadier General Alex Ross, President, Canadian Legion War Services;
Mr. M. J. Chisholm, Executive Secretary, Auxiliary Services, Y.M.C.A.;
Mr. H. J. Humphrey, President, National Council, Y.M.C.A. for Canada;
Colonel C. M. Edwards, Chief, Advisory Board, Salvation Army;
Colonel William Dray, Director, Salvation Army War Services Overseas;
Mr. Robert Ryan, General Manager, Knights of Columbus War Services;
Lieut.-Colonel W. J. Lawson.

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1945



MINUTES OF PROCEEDINGS

THURSDAY, October 25, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., Mr. W. A. Tucker, the Chairman, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Brooks, Bruce, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Green, Harkness, Harris (*Grey-Bruce*), Jutras, Kidd, Langlois, Lennard, Marshall, MacNaught, McKay, Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Skey, Tremblay, Viau, Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs; Brig. General Alex Ross, President, Canadian Legion War Services; Mr. M. J. Chisholm, Executive Secretary, Auxiliary Services, Y.M.C.A.; Mr. H. J. Humphrey, President National Council, Y.M.C.A. for Canada; Col. C. M. Edwards, Chief, Advisory Board, Salvation Army; Col. William Dray, Director, Salvation Army War Services Overseas; Mr. Robert Ryan, General Manager, Knights of Columbus War Services; Lieut. Colonel W. J. Lawson.

The Chairman tabled a draft bill to amend the Veterans' Land Act, 1942, copies of which were distributed to the members.

The Chairman stated that he had received a telegram from the Corps of Canadian (Overseas) Fire Fighters to the effect that it would be impossible for their representatives to attend before Monday, November 5. It was ordered that the clerk inform them that if their bill came up before that date, their written brief would be considered; otherwise, their representatives would be heard on Monday, November 5.

The Chairman also reported that he had received a telegram from Mr. D. K. Yorath regretting his inability to appear before the Committee on October 29, and suggesting the Canadian Legion appear on his behalf.

On motion of Mr. Cleaver, it was ordered that 1,500 additional copies of the Minutes of Proceedings and Evidence for October 26 be printed in English, and such additional copies for the present and future meetings as the Chairman may decide.

Mr. Gunn filed a proposed amendment to Clause 17 of the draft bill to amend the War Services Grants Act, 1944, which is printed as Appendix "A" to this day's minutes of evidence.

The Chairman filed a brief submitted by Flying Officer A. B. E. Strang, outlining the reasons for the granting of full gratuities and the re-establishment credit, and all the benefits of the post-discharge Re-establishment Order P.C. 5210, to Air Observer School pilots whilst serving on leave without pay from the R.C.A.F., which is printed as Appendix "B" to this day's minutes of evidence.

General Ross was called, presented a written submission (printed as Appendix "C" to this day's minutes of evidence), addressed the Committee and was questioned.

General Ross undertook to furnish the Committee with a copy of the contract entered into by supervisors in the Auxiliary Services and the Minister of National Defence.

Mr. Chisholm was called, heard, questioned and retired.

Mr. Humphrey was called, heard, questioned and retired.

Col. Edwards was called, heard, questioned and retired.

Mr. Ryan was called, heard, questioned and retired.

Col. Dray was called, heard, questioned and retired.

General Ross retired.

The Committee resumed consideration of the proposed draft bill to amend the War Services Grants Act, 1944.

Col. Lawson was recalled and questioned.

Subclauses (1) and (2) of clause 2 were adopted without amendment.

At 12.45 o'clock p.m., the Committee adjourned until Friday, October 26, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 25, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: First of all there is a draft bill in regard to the Veterans' Land Act which will be distributed. Again, apparently through an oversight, it is described as a bill. I would ask you to forgive us again in that regard. Henceforth we shall try to persuade these people who print these bills to print them as draft bills, which is what they are. They are not bills until they get into the House. As I say, that draft bill will be distributed.

The next item of business is in regard to Mr. Greber's submission on the proposed beautification of Ottawa and district. As you know, it was set for 10.30 to-day in the railway committee. We also decided to have this committee meet to-day at 10.30, and I did not feel justified in calling it off without the consent of the committee. Furthermore, General Ross wished to file a submission with the committee. He has to go west to take a course, and he must leave to-night. What I thought we might do would be to hear General Ross and then, if the committee felt that they wanted to hear Mr. Greber, they could adjourn. I doubt very much if we could hope to possibly reassemble this morning, because that meeting will take at least an hour, which brings it pretty well to 12 o'clock. I do not think we can meet this afternoon because the House is in session, and I doubt if the committee would want to meet in the afternoon at such an early stage in the session, with the House sitting. However, that is for the committee to say. The fire fighters cannot be present on Monday; they say that other engagements prevent it; and the civilian flyers from Edmonton say the Legion will present their brief for them and represent them. So on Monday the only representations that we will take are the people from Montreal, the transport command flyers; and I was thinking that perhaps the Legion would be content to defer their presentation until Monday and we would try to complete the War Service Grants Bill to-morrow if the committee decided to adjourn after hearing General Ross.

I suppose we may as well decide that right away before proceeding to some other items that I wish to bring up in the committee. Is that procedure satisfactory to the committee?

Mr. LENNARD: What did I understand in respect to the fire fighters?

The CHAIRMAN: They cannot get here until the 5th. I suggested to the clerk of the committee that he wire them that the bill may be through the committee by that time, and that we cannot hold it up waiting for them. We already have their written brief. They may find that they can get here. I do not know. What is the will of the committee? Do you wish to adjourn after we hear General Ross, in order to hear Mr. Greber?

Some Hon. MEMBERS: Carried.

Mr. BROOKS: No.

Mr. CROLL: Let us carry on.

The CHAIRMAN: The only way to decide this, I think, is to have a show of hands. Before we do that, does any one wish to make any remarks on it? If not, we will have a show of hands. Those in favour of adjourning? I will ask the clerk to make a count.

The CLERK: Eight.

The CHAIRMAN: Those in favour of carrying on?

The CLERK: Twelve.

The CHAIRMAN: Then we will carry on.

The next item of business will be interesting in regard to the record of proceedings. Monday's proceedings were distributed yesterday, that is Wednesday; and Tuesday's probably will be distributed today.

There is another item I wish to mention, namely, the minutes of proceedings and evidence of October 26. There has been a request that 1,500 more copies of these be printed in order to satisfy the demand.

Mr. FULTON: For what date?

The CHAIRMAN: October 26. That will be the presentation of the Legion. But in order to give certain elasticity to the thing the suggestion is made that provision be made for additional copies for future meetings as the chairman may decide, so that when there is an extraordinary demand, we can print to meet that demand. The suggested motion is that 1,500 additional copies of the minutes and proceedings of the meeting of October 26 be printed in English and such additional copies of future meetings as the chairman may decide. We might say for "this and future meetings," because they may want them for today; I do not know. For this and future meetings, as the chairman may decide. Is that satisfactory to the committee?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Could we have a motion?

Mr. CLEAVER: I move that.

The CHAIRMAN: Is it the wish of the committee to adopt the motion?

Some Hon. MEMBERS: Carried.

Motion agreed to.

The CHAIRMAN: I think that is all we need to deal with before we hear the presentation of Brigadier Alex. Ross who is going to present the brief on behalf of the Legion. Before you start, General Ross, may I say that I have been handed a proposed amendment to the draft bill of the War Services Grants Act, amending section 17. That will appear in the record and will be distributed for study by the committee. It has to do with the payment of gratuity in the case of a person who dies. It also meets the objection which has been registered in this committee in regard to the time of enlistment. It is just a brief amendment. (*See Appendix A*).

Mr. BENIDICKSON: Mr. Chairman, you said that the Legion are to advance the case of the civilian flying instructors. The brief presented by Mr. Yorath that we have already seen, deals solely with the case of instructors at elementary flying schools, not with instructors, as I understand it, at the observers schools. I was wondering if the Legion could be warned to bring some information with respect to the rates of pay applicable at the observers schools.

The CHAIRMAN: I am glad you brought that up, Mr. Benidickson. I have a brief here on their behalf which the Legion has enclosed. The reason I did not bring it forward this morning was that I really wished to consult the steering committee about it. But if they will forgive me, I will just read the letter of the Legion in regard to it, which I just received. It reads as follows:

OCTOBER 24, 1945

Mr. W. A. TUCKER, M.P.,
Chairman,
Parliamentary Committee on Veterans' Affairs,
House of Commons,
Ottawa.

Dear Mr. TUCKER:—Enclosed is a brief submitted by Flying Officer Strang on behalf of R.C.A.F. personnel who were given leave without pay

from the R.C.A.F. in order to act as flying instructors at air observer schools in Canada. These men are in exactly the same position as those covered in Mr. Yorath's brief.

I am sorry that this brief was not sent in at an earlier date, but you may still be able to have it written into the record.

Yours sincerely,

T. D. ANDERSON,
Executive Assistant.

I have the brief here. It is a brief of 15 pages. I have not had time to glance over it myself or consult the steering committee about it. If you wish, on the strength of the letter of the Legion, to have this filed and put in the record, I presume it will be quite in order.

Mr. CLEAVER: I move that it be tabled and printed.

The CHAIRMAN: It is moved that what I referred to be tabled and printed. Is it the pleasure of the committee to adopt the motion?

Some Hon. MEMBERS: Carried.

Motion agreed to. (*See Appendix B*).

The CHAIRMAN: If there is nothing else, we will hear General Ross.

Brigadier-General ALEX Ross *called*.

The WITNESS: Mr. Chairman and gentlemen, it is a number of years since I have had the honour of appearing before a parliamentary committee, and I had hoped I had made my last appearance; in other words that my responsibilities for presentations to you had ceased. However, it has transpired that I have a special problem today. I am not presenting this brief on behalf of the Legion. I am presenting it on behalf of the Auxiliary Services Organization. I have with me Mr. Jack Humphrey representing the Young Men's Christian Association; Colonel C. M. Edwards representing the Salvation Army and Mr. Ryan representing the Knights of Columbus; also a number of our executive officers whose names I can give you later if you desire them and who are available to give you any detailed information which the head organization would not normally possess.

I am personally appearing as president of the Canadian Legion War Services, which is the organization of the Canadian Legion that handles wartime activities with the serving forces. Mr. Chairman, we have prepared a brief which I am filing with you. It is fairly long and would take some time to read, but it contains the information which you probably will require, when you consider the problem. I could, if you wish, condense it considerably.

The CHAIRMAN: General Ross, if you wish to file it and have it put in the proceedings, all right. In addition, if there is anything in particular in it that you wish to refer to, go ahead.

(*See Appendix C*).

The WITNESS: That is what I had proposed doing. Gentlemen, I am appearing today with these other gentlemen on behalf of the men who have furnished the welfare services to the troops during the war. It is recognized now in all our armed forces that organized agencies for the comfort and welfare of the troops are a necessity. Various armies or various military formations have different systems. In the United States and in Great Britain that service is organized on purely military lines. In Canada we have adopted the practice of utilizing a civilian organization working in conjunction with military authority. At the outbreak of the war the various organizations that are here today offered their services to the government and that offer was accepted. As a result, a directorate of auxiliary services was set up to co-ordinate their

activities, and we were given specific duties to perform. We have therefore adopted a somewhat different system than our allies. I believe that the record will show that although our system is different, it has been just as good and in many ways better than that of the purely military set-up, because we have maintained the personal touch, the human touch, which can be given by an organization outside of the actual military formation, and also can have a good deal of elasticity. In any event, that system was adopted. In any event we have done our best to give the service required; and I believe, generally speaking, every one will say that our men have done a good job. By that, I mean all the organizations.

We were all so busy and anxious to get to work that we forgot at the time to enter into any clear understanding as to what the status of our men would be. They were undoubtedly civilians, but when you take a civilian into a theatre of war, you run into a lot of complications and it very soon developed that we had to get some understanding. I am not going to trace the whole course of development, because that would take too long. It is set out generally in the brief which I am filing. But we proceeded very gradually. The first point made was that we would have protection in case of death or injury by enemy action only, a very limited protection in Great Britain when they were there and certainly on the continent when they went there afterwards. Negotiations continued and proceeded always with the idea of getting some particular status. The armed forces were quite firm in stating that they would not agree to granting them a military rank as was done in the war of 1914-18, and these men have never worn a military rank. However they do receive a captain's pay from the armed forces. However, discussion followed discussion and ultimately an order in council was passed on March 8 of 1944 which at first appeared to solve the problem. The relevant portion of that is on page 4 of our brief:

This covered headquarters staff, supervisors and helpers who proceeded overseas with the approval of military authority. The most significant part of this order is that supervisors, serving with the navy, army and air force shall be deemed to be members of the respective service "for all purposes except engaging in combat with the enemy and shall be subject to navy law, military law or air force law, in all respects as though they were officers of the navy, army or air force, holding the rank of lieutenant (navy); captain (army), or flight-lieutenant (non-flying) (air force) and shall be entitled to the pay and allowances, pensions and all other benefits, (except income tax benefits) applicable or pertaining to such rank as from the time they embark for service outside of Canada until their services are terminated.

We thought that the terms of that order in council which has the effect of law under the War Measures Act, gave all that was required. They were embodied into the armed forces by order in council rather than by attestation or commission and given all the privileges except that they were not required to engage in combat. As an actual matter of fact, our men have to accompany the formations in action and they get just as close to the front line as is humanly possible to carry out their work. We fortunately had not many casualties but that is more a matter of luck than by reason of the fact that they could not be hurt. However, we found that when it came to the matter of war service gratuities and benefits, this order in council did not go as far as we thought it did; and instead of these men of ours being entitled to the benefits which the order in council mentions, all the benefits of serving personnel, it was apparently found necessary on legal advice to draw up a separate order in council which gave them limited benefits, fairly generous but limited. In other words, they did not get all the benefits accorded to members of the forces serving in various theatres of war and the benefits which they did not

receive are as follows: seven days' pay and allowances for every six months overseas service; re-establishment grant; rights under Veterans' Land Act; re-establishment rights such as out-of-work benefits, vocational or university training; priority consideration in making application for civil service positions. A subsequent order in council was therefore passed giving them rights except those that I have stated, and thereby the original order in council was modified to the extent that they did not receive all the benefits.

The reason given for that is set out in the order in council. The reason given is that it is felt that it would not be fair to give to civilians employed on military service all the rights that were accorded to fighting men. In the first place, I would point out that a chaplain is classed as a non-combatant, not a civilian, but he is not a combatant and does not carry on and does not work along the line along which our men operate. He receives all the benefits. But that is the reason given, that it would not be fair. I would be quite willing to concede that argument if it were possible to confine all benefits to the men who actually fight. But you know very well that there is no possible formula that has ever been invented whereby extra benefits can be given to the man who actually carries the rifle or fires the gun. The man cannot fire the gun unless he has the men behind to build up supply, unless he has the men behind to direct operations. It is all part of the whole. Some have to do the actual fighting. Some have to do the supplying and some do the planning, but they are all in the same category. Our men have their part to play. We have services which we perform as close to the line as possible. We have services which look after supplies. We have services of directorate. In all respects our organization parallels that of the armed forces. We do not concede that suggestion therefore that, because they are civilians definitely embodied in the forces and subject to military law by order in council, they should be or could be excluded from benefits simply because they do not carry arms. They do their job wherever it is required of them. That is the major point of which we complain and which these gentlemen here today come with me to ask you to correct.

We also want to draw your attention to the fact that although many of these men have spent months, sometimes years, in the combat areas they are deprived of benefits. We have one here today, in Mr. Porteous of the Y.M.C.A. who has been a prisoner of war in Hong Kong for 3½ years and undergone all the privations which that garrison underwent; yet he is deprived of benefits because it would not be fair to the fighting troops that he should receive everything that they got. Mr. Porteous is here and is prepared to answer any questions you might wish to ask him. He has just been released. That is a concrete example of what we mean.

The other matter, of course, is income tax. As you know, every one overseas, from the clerical worker in military headquarters to the man in the front line, receives complete exemption from income tax. At first our men received no exemption. That was a very grave hardship because they left Canada thinking when they had made plans to take care of their families and provide for their needs at home, and then suddenly they found their overseas pay was cut very materially and their plans were all upset. Nothing was done at the first, and we have authentic instances of men who were actually in the forward area, living under the most difficult and dangerous of conditions, receiving a peremptory notice from the authorities to pay their income tax forthwith. We feel that if they are to be treated as part of the fighting forces, as seems to be contemplated by that wording, all the benefits should be made to include all the benefits, and that they should be excused from paying income tax. At the present time they have a 20 per cent exemption. In other words, they have received consideration to the extent of having 20 per cent written off.

Gentlemen, that is, in broad outline, the case we come here to present to you. We also however wish to stress that consideration be given on a rather broad basis. In order to give our services we have to maintain many services.

The Y.M.C.A., for instance, handles our supplies. They have a huge undertaking which mobilizes Canadian goods, Canadian food, which we make available to our men to supplement their rations. That is a wonderful service which is wonderfully appreciated. But that is a big organization. It requires a big staff. That staff has to operate as every other staff has to operate, from base to front. The men who are operating them are classified as civilians and have done their job and have got to come back. Similarly we have to have headquarters staff just the same as the air force, army and navy have to have a headquarters staff. These men have done their work. One of the complications of the present set-up is that while men in the front have certain consideration, headquarters have practically none that are not accorded all civilians, with the result that it has been very difficult for us to interchange staffs. If a man distinguishes himself in the field or we feel he needs a rest and want to bring him back to give advice and assistance at head office, he sacrifices to do it. He sacrifices pay. He sacrifices rights. It makes it difficult for us to operate. While it is nearly over now, at the same time I point out as evidence of what we have been up against in this battle.

My friends' submission to you is that we feel, and I think all representatives of the armed forces will tell you the same if you ask them, that the auxiliary services have given good service. We have met every need that was asked of us. We have followed the troops wherever they have gone. Our men have played their part in the war as volunteers to the fullest extent of their ability. On coming home they will sacrifice their civilian position, not have any more pay. They have sacrificed their civilian position. They come home to re-establish themselves and will face all the difficulties that will be faced by the men who were fighting with them and along side of them. I believe these men would desire that they should receive every possible consideration. Therefore we ask you to endorse their proposal. I believe these men would desire that they receive every possible consideration, and, therefore, gentlemen, I ask you when advancing the principle that it be worked out that all personnel of the organization with respect to the service outside of Canada or outside territorial waters of Canada be accorded all benefits as have been or will be accorded to members of the armed forces. These people represent a group of 600 or 800. They are Canadians who have played their part in the struggle. We ask you to give them every possible consideration so that they may have an opportunity to re-establish themselves along with the other members of the fighting forces. I thank you for your patience, Mr. Chairman and gentlemen. If you would like to hear from my colleagues I shall be glad to make them available to you.

The CHAIRMAN: There is one thing, General, you might have told us. Would you tell us what your connection has been with the auxiliary services from the commencement of the war so as to give the committee an idea of your means for gaining knowledge in these matters?

Brigadier General Ross: I was a member of the original board of directors of the Canadian Legion War Services and shortly after its organization I became more or less its executive head, and I have been either president or chairman of the Canadian Legion War Services for over five years, and I have also been associated with my colleagues here in the general campaigns which we operated for funds before the government supplied those funds. I have a close knowledge of all these matters.

The CHAIRMAN: Is this brief submitted on behalf of the Legion?

Brigadier General Ross: Of the organization—the four of us.

The CHAIRMAN: And has the Legion endorsed it?

Brigadier General Ross: The Legion will endorse it; they have said they will endorse it in their presentation.

The CHAIRMAN: Could you tell the committee how many men are affected by this proposal?

Brigadier General Ross: 700, Mr. Ryan says. He is the manager of the Knights of Columbus organization.

Mr. WOODS: Does that mean 700 with the overseas service?

Mr. RYAN: Yes.

The CHAIRMAN: General Ross has concluded his evidence, and we thank him for his remarks; does any member of the committee wish to ask him any questions?

Mr. BELZILE: Mr. Chairman, it is stated in the first paragraph on the first page of the memorandum: "Accordingly, the four organizations mentioned were invited to enter into, and did enter into, contract with the Minister of National Defence to render certain specified services..."; is that contract available to the committee?

Brigadier General Ross: We can make it available. Colonel McIntyre, will you make a note to get a copy of our original contract which we will file today?

By the way, Mr. Chairman, we have also with us today Colonel Rae of London, England, a distinguished officer who has acted as our overseas representative all over the world and who, I believe, can concur in what I have said in regard to overseas men.

The CHAIRMAN: Would it be the committee's wish to have these gentlemen stand up so that we can see who is who and General Ross could introduce them?

Brigadier General Ross: I wish to introduce Mr. Humphrey, President, National Council, Y.M.C.A.; Mr. Ryan, manager of the Knights of Columbus War Services; Colonel C. M. Edwards, Chief of Advisory Board, Salvation Army, Colonel Rae, and Mr. Porteous, who is a veteran of Hong Kong.

Mr. CROLL: My reading of section 4 of page 5 of this brief would lead me to believe that at the present time the benefits are conferred upon field supervisors but some benefits of the headquarters officers who served in the field and the helpers were not originally included. There are two hurdles.

Brigadier General Ross: Yes.

Mr. CROLL: First to extend to field supervisors and also to these others what you ask in section 4 and then to bring all the others under the original order in council; is that correct?

Brigadier General Ross: Yes.

Mr. PROBE: I have not had an opportunity of reading this submission closely, but I am interested to know if the personnel of such groups as the Canadian Legion Educational War Services are included in the submission here. In the case where those members of the Canadian Legion Educational Services retained civilian status I would like to know how the General proposes to equate the civilian status with comparable service rank for the purpose of discussing war service gratuity to which they may be entitled. I am thinking, for example, of Dr. Chaplain, Director of Educational Services overseas.

Brigadier General Ross: We have referred in our brief to Educational Services. In reply to that question may I refer to the formula at the end of my brief: "That all personnel of the organizations despatched for service out of Canada or outside the territorial waters of Canada be accorded all benefits..." That would include that.

Mr. PROBE: Yes, but it does not indicate, for example, the director of Canadian Legion Educational Services.

Brigadier General Ross: He was despatched with the consent of the adjutant general.

Mr. PROBE: That is right. At what rank would you recommend that he be considered? I think this is very important because I can tell you of quite a number of civilians over there, men and women helping Canada by working with the Canadian Legion Educational Services, and the supervisors I know are treated as having the rank of captain in the army. Now, what are you going to do about the men and women who are taken on without regard to consideration with respect to rank—the director of the Canadian Legion Educational Services and the assistant director and various staff and so on? You have to equate their civilian status with some military rank in order to bring them in on a service basis for consideration for war service gratuity.

Brigadier General Ross: The base rate is \$15 a month, which they get now. The extra gratuity which is denied them is seven and a half days' pay for every six months' service. They have all got a fixed rate of pay; and therefore seven and a half days' pay can be ascertained very easily and they could get the seven and a half days' pay. The great majority of our men, apart from a few executives, are at present receiving captain's pay. The helpers receive less. The men who are doing the actual work receive captain's pay and allowances.

The CHAIRMAN: Are there any other questions?

Mr. PEARKES: Mr. Chairman, I think it might be appropriate to raise the question I was speaking to you about. General, does your submission include V.A.D. nurses who went overseas? There was a limited number of girls who were sent to join the nursing services at the beginning of the war. Some went overseas and some remained working in the military hospitals in Canada. I believe many of them were drawn from working-class families, and many of them served without any remuneration whatsoever. Now, they were subject to military discipline, but at the conclusion of hostilities they have returned to their ordinary civilian occupations; and I believe that they are receiving no gratuities at the present time. I would like to know whether your submission includes those girls.

Brigadier General Ross: I am afraid not, General Pearkes. As far as our recommendation is concerned, we have no women from Canada working overseas. We have a lot of civilian employees. We do not know anything about that problem; the Red Cross and the St. John Ambulance Association should accept responsibility for them.

Mr. MUTCH: The St. John Ambulance nursing sisters would be in the same position.

Mr. GREEN: How were the men in the same position treated after the last war—both during and after the last war? I may say this is an excellent brief, and I speak with regard to the four organizations when I say that they did excellent work, and in my opinion the committee will not get a more justifiable case than the case that has been presented to us to-day. As far as I am concerned personally I haven't a shadow of a doubt that in justice their request should be granted. It has been before the House on different occasions, and I think this is a question which should have been gone into years ago. We have taken a long time in meeting it. I would personally urge upon the members of this committee that they give this brief most sympathetic consideration.

Brigadier General Ross: I think Mr. Chisholm of the Y.M.C.A. and these other gentlemen could say something about that.

Mr. J. CHISHOLM, Executive Secretary, Y.M.C.A. War Services: Mr. Chairman and gentlemen, during the last war the personnel of the Y.M.C.A. who served in similar capacities as in the present war were granted an honorary rank in the army without an army establishment to cover it.

Mr. GREEN: They were treated as part of the army for the purpose of all benefits?

Mr. CHISHOLM: Yes, sir.

The CHAIRMAN: They were given the gratuity, were they?

Mr. CHISHOLM: That is right.

Brigadier General Ross: They got the medals, decorations, and everything.

Mr. CROLL: Could you give us some idea as to why they were not treated in the same way this time from the beginning?

Brigadier General Ross: I do not know. We have had a great many negotiations, but there has been a great reluctance on the part of the armed forces to give us that right. General Pearkes may know something about it because he was in England at the time of the introduction of the matter. General McNaughton ruled that he was not in favour of giving these men, some of whom had no previous military service, the standing. It did not apply to our organization because our men are all veterans, but it did apply to these others. General McNaughton took exception to granting rank, and General McNaughton's view prevailed. It was a reasonable argument and we did not question it at that time; but I always felt that if they had put their minds to it it would have been easy to do it. Everybody had difficulties. The final one, as far as we are concerned, was: if you suggest we take them over we will do so, but then they have to be under our control. But again, as I pointed out in my brief, we would become simply a recruiting agency of civil officers under military control in the unit. We have the right to move them where we are asked to without consulting the unit, but we would be allowed to see that the man does his job to our satisfaction. He might get by with them but not with us. We had the right to discipline him and we did not want to lose control. The army said you can take them over and give them those rights, but we would have to have control. We would not have that. A compromise was arrived at whereby they were embodied—they became part of the army until it became a matter of pay benefits and they then discovered that they were embodied but there would have to be an order in council. Does that answer your question, Mr. Green?

Mr. GREEN: Yes.

The CHAIRMAN: General Ross, are there any other gentlemen you want to have address the committee?

Brigadier General Ross: There is Mr. H. J. Humphrey, President of the National Council of the Y.M.C.A. for Canada.

Mr. HUMPHREY: I am sorry that Major A. W. Beaton is not here to-day. He is our senior secretary and has been in charge of our war service work during the entire war and served in a similar capacity in the last war. Mr. Beaton has been on all the fronts, I believe, except the Pacific front, but on account of illness he is not here to-day. I do not intend to take up the time of this committee other than to confirm and substantiate the remarks of General Ross, and all I have to say is that the Y.M.C.A. is a party to this brief which clearly sets out our problem. I do not think there is anything I can add that would be informative to this committee, but I can ask for sympathetic consideration of our situation.

Brigadier General Ross: I will call on Colonel Edwards.

Colonel C. M. EDWARDS, Chief, Advisory Board of the Salvation Army, Ottawa: Mr. Chairman and gentlemen, I have also served as senior auxiliary officer for a short time overseas in 1940. The original difficulties as regards this matter were brought to the service practically right after the personnel of the auxiliary services went overseas in 1939. One question asked was for the reason why nothing definite was done when the personnel went overseas originally, and I think that one answer to that is that the Canadian government was so anxious to get the personnel over that this was considered a minor attachment to the forces at that time and was not seriously considered. That is,

the effect on personnel was not properly considered. There was also the fact that the auxiliary services were so keen to serve that they were willing to serve and believed that the government would do the right thing by the personnel without any demand from them. They had not time to make any demand or make anything more than a request. I have nothing more to add to what General Ross has said than to heartily endorse his statement and to say that from my experience he has been very modest in his remarks. I think that if one considers the work which has been done by the personnel of the auxiliary services the committee cannot help being sympathetic to the request that is being made at the present time.

Mr. BROOKS: I agree entirely with what Mr. Green said a moment ago. We are dealing now with the War Service Grants Act and I was wondering if there would be a submission made by the services for some benefits under the other Acts, such as the Pension Act and the War Veterans' Allowance Act. I can see some difficulties there where, possibly, there were not medical examinations.

Brigadier General Ross: There were medical examinations. These men were all medically examined before they went overseas.

Mr. WOODS: Mr. Chairman, they are eligible under the Pension Act at present.

Brigadier General Ross: We want the war veterans' allowance too. As a matter of fact, we want to have everything that everybody else gets. I feel that the men whom they served so well would want them to get what they got; that is what they are asking for.

Mr. BENIDICKSON: Does the figure of 700 comprise entirely those who wore the uniform of the particular service to which they were attached or would it include some people who wore business suits overseas?

Mr. RYAN: They were supervisors of the three services who numbered approximately 700.

Brigadier General Ross: They were men whom we sent from Canada. We employed British civilians; we had thousands of them; but they are not included. We are referring to the men who left Canada to do a specific job in the service. They were not employed on ordinary menial tasks, they were all doing actual executive work when we sent them over. We did not send them over to act as generals; they had a specific job to do. They were men who went over with the consent of the adjutant general or the opposite number of the other forces and were regarded as serving personnel.

Mr. PEARKES: Are you applying for gratuities for men in this organization who served in Canada and did not go overseas?

Brigadier General Ross: No. That case is not being presented. When the Legion makes their presentation they are going to ask for something; but the four organizations today are only asking for the overseas candidate.

Mr. FULTON: I should like to associate myself with Mr. Green on his remarks. They may be of interest to the committee and help us to make up our minds. Among the helpers a large number of the men overseas were men who actually were soldiers, were transferred, were allowed to resign from the army and were taken on by one of the auxiliary services. It might help us to make up our minds—I think that this is absolutely justified—if you could give us figures as to the numbers included in that group. I think there certainly could be no question in anybody's mind that the man in that category should receive benefits in the auxiliary services which, to all intents and purposes, was a continuation of his army service.

Brigadier General Ross: I shall see that you get a statement showing the exact number of employees. May I say on behalf of our organization—and perhaps the others will support me—that we could not have carried on

without the help of the men who were drafted from the forces in this war because there came a time when our resources in Canada were exhausted. We were able to find in the army men who, perhaps, were slightly over age or could go no further in their present ranks and who were willing to retire from the army and come to us. They are entitled to their army benefits, and they lose all the subsequent benefits, although they are doing the same work under the same conditions. I think 75 per cent of our personnel is under that category now.

Mr. PEARKES: A certain number of men were still in the services while they were assisting with the auxiliary services?

Brigadier General Ross: Yes.

Mr. PEARKES: There may have been a time when they were eventually discharged, but I know personally that many of them were still serving when they were driving your coffee wagons.

Brigadier General Ross: Yes.

Mr. BROOKS: They are looked after?

Brigadier General Ross: Yes, they are looked after. I will ask Mr. Ryan to say a few words.

Mr. Robert RYAN, General Manager, Knights of Columbus War Services: Mr. Chairman and gentlemen, I should like to support the application which General Ross has presented on behalf of all of us. Perhaps I could take a moment's time to clear some of the doubts that have been raised. The men we are asking for are all men who were accepted and passed by the Department of National Defence. Without their consent they could not have gone. They were medically examined. They went overseas and were subject to movement into the war zones and did a good job. They were torpedoed just as other members of the service have been, and they were wounded and killed in action; they have been prisoners. Now, their work is with the various services and under them they have men as military helpers who are part of the armed forces. Each supervisor has about four helpers working for him. So the soldiers who assist in doing this work get all the benefits, but the supervisor—the man who plans and carries out the work—is getting limited benefits. When P.C. 44/1555 was passed it was the belief of all these people that they would get every part of the benefits. Unfortunately, the legal definition afterwards stated that they would not get the benefits after they were discharged from the services. The net result is that the men felt they had not been treated fairly by other organizations of the government, and today we are asking you to remedy that situation. I think that any war service man will agree that our auxiliary service was on a par with or even better than the special services of the military division of the British or American armies. Therefore, we ask that they be not penalized because we as an organization refused to allow the army services to take them over. Two years ago all of these men could have been taken into the services, but the organization felt, and we feel now, that we could do a better job by representing the organizations than if they became merely cogs in the military force. So we ask that supervisors be not penalized because they remained with the organizations rather than go into the services. We also ask that these men who transferred from the army into our service and therefore became civilians while carrying on in France also continue to receive the benefits they would have had had they remained in the forces.

Mr. BROOKS: I would like to ask General Ross this question: Could you tell us whether the British army and the American army had a different system? Did their men who were doing the same work as your men in the

armed forces were doing receive all the benefits that an American or a British soldier received?

Brigadier General Ross: On the military establishments, absolutely the same. They are all under military control and they are operated on a definite military establishment like any other part of the service. Our men would have been in the same position had we consented to come in. As Mr. Ryan stated, if that had happened then they were going to run them and we would have no more control at all.

Mr. BENEDICKSON: All their officers did wear uniforms. In fact, I found that that service wore a uniform which looked practically the same as that worn by the army, navy and air force, without some rank badges. Am I to understand that some people went overseas who never wore a uniform? If we are going to grant a gratuity today, why would their status be any different from that of people who were in Canada House or in any other business houses in London? Could we have some idea of the status of those people overseas?

Mr. RYAN: I can speak for our organization. Every man we are asking for did wear the uniform.

Colonel William DRAY, Director Salvation Army War Services Overseas: I agree with that statement. They were moved from Canada to overseas appointments.

Brigadier General Ross: The same thing applies to the Canadian Legion, with this exception that our education supervisors—of whom there are fifteen—Dr. Chaplain has been mentioned and his assistants who supply the educational matter for all the forces, do not wear a uniform. Otherwise they do all the work, the same work that the other people are doing. They are the civilian part of the armed forces.

Mr. PROBE: Apparently we are going around in circles here, Mr. Chairman, because Mr. Ryan has stated that all the people in his organization wore a uniform.

Mr. RYAN: That is right.

Mr. PROBE: Take the case of Mrs. Beekman, who is in charge of the hospitality centre over there. I do not know whether she was a Canadian but I presume she was. You are not considering persons of her category in this brief?

Mr. RYAN: We are merely asking for those who left Canada with the consent of the adjutant-general, who were supervisors.

Mr. PROBE: That is true of yours too, General Ross?

Brigadier General Ross: Yes. Of course the Canadian Legion is one organization that operates an educational service, and that group is exclusive. They all went over under the same condition exactly. They had the approval of the adjutant-general, passed a medical examination and went through definite service and were practically an integral part of the army, air force and navy; but they did not wear a uniform.

Mr. PROBE: There are still a number of Canadians that wish to be recruited in this city and taken into those services. I was wondering if it was your intention to exclude them from consideration. It was only the (a) branch persons that are being considered.

Colonel DRAY: Yes.

Mr. FULTON: On that point, I am afraid that will exclude those helpers who were discharged from the army over there, because they were not sent over as auxiliary service personnel.

Mr. CROLL: They went over with the consent of the adjutant-general.

Colonel DRAY: They were sent over with the consent of the adjutant-general in the army, and the adjutant-general transferred them into our branch.

Mr. BELZILE: Do I understand that all these supervisors are in the armed forces?

Colonel DRAY: Exactly.

Mr. HUMPHREY: I should like to ask Mr. Chisholm to speak for the Y.M.C.A. on that point.

The CHAIRMAN: Would you give your name to the reporter?

Mr. M. J. CHISHOLM: Yes. My name is M. J. Chisholm. Our position is the same as that of the other organizations. In one or two instances our senior men in London, because they served the three branches of the service on the headquarters staff, do not appear in uniform; and I presume that is the same with the other organizations. Otherwise our staff are all in uniform.

The CHAIRMAN: If there are no other questions, I should like to thank General Ross for his splendid submission to us this morning and those who so ably supported him. It is a treat to have a submission so clear-cut and so well presented as this has been this morning, and I want to thank them all very much.

Brigadier General Ross: Thank you very much. On behalf of my colleagues I also want to thank you for a very courteous and pleasant hearing, something which I have come to expect from members of this committee. Thank you very much.

Mr. GREEN: Could we adjourn for a few minutes, Mr. Chairman; just for 5 minutes?

The CHAIRMAN: Is it the wish of the committee to adjourn for 5 minutes?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Carried. We shall adjourn for 5 minutes.

The committee adjourned at 11.35 a.m. for 5 minutes.

On resuming:

The CHAIRMAN: If you will resume your seats, gentlemen, we shall proceed with the consideration of the War Service Grants Act. The next section is section 2 on page 3 of the proposed draft bill. I will read the first subsection. It reads as follows:—

Section 3 of the said Act is repealed and the following substituted therefor:

3. (1) subject to the provisions of this Act, every member of the forces shall, upon discharge, be entitled to be paid a war service gratuity at the rate of seven dollars and fifty cents for every completed period of thirty days of service, and an additional sum of twenty-five cents for every day of overseas service which falls within such periods.

it the pleasure of the committee to carry that?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then that is carried. Then subsection 2:

(2) In addition to the amounts mentioned in subsection one of this section, every member of the forces whose service includes overseas service shall, upon discharge, be entitled to be paid for each period of one hundred and eighty-three days of overseas service and proportionately for any less period, an amount computed on the basis of seven days' pay and allowances that were payable to or in respect of him at the date of discharge.

You will remember that was the subject of a submission, that it should be at some other date than the day of discharge. Do you remember that, Mr. Woods?

Mr. WOODS: Yes.

The CHAIRMAN: Would you like to say something about that?

Mr. WOODS: I think, Mr. Chairman, insofar as those who are discharged up to the present is concerned, that this is correct and meets the situation. As I recall it, the discussion took place with respect to a date of March 31, 1946, which has been discussed as the termination of active service and as to whether that should be the limiting date or not. I think that was the discussion that took place the other day. I think perhaps the army is more competent to speak on this than I am.

The CHAIRMAN: The discussion, as I remember it, was that sometimes people are returned to a depot and they then get somewhat different pay than they get in the service.

Mr. WOODS: I think perhaps the pay division of the army are more competent to speak on this than I am.

The CHAIRMAN: I wonder if the pay division of the army is represented here this morning or of the other services?

Mr. BROOKS: Before you go on with that, there is one thing that is not altogether clear to me. Subsection 2 says, "upon discharge, be entitled to be paid for each period of one hundred and eighty-three days of overseas service and proportionately for any less period". Does that mean that he must have served first for 183 days, and then the proportion counts for the proportion of 183 days after that, or if he serves less than 183 days then he gets the proportion?

The CHAIRMAN: Would you answer that, Colonel Lawson? The suggestion is that the way it is worded, "shall be paid for each period of one hundred and eighty-three days of overseas service and proportionately for any less period" is not clear. Mr. Brooks is asking if he must serve the 183 days before he can get paid for a lesser period; if he served, say, 30 days overseas, would he get the benefit of that section?

Colonel LAWSON: I would say he would, yes, on the interpretation of it, for any less period; if he served a less period than 183 days, he would get the proportion for that shorter period, although he had not completed 183 days.

Mr. BROOKS: May I ask why 183 days stays in at all?

Colonel LAWSON: Because that is the basis of computation. Formerly it was 6 months, but 6 months being an indefinite period, they now say 183 days which then gives the pay people a definite base on which to compute the amount payable.

Mr. CROLL: Why not say for the number of days served? Why 6 months at all? It seems to me you are confusing it.

Colonel LAWSON: You must have some basis upon which to compute the pay. It is 7 days' pay for 183 days. It is quite true that you might say 1 day's pay for 1/7th of 183 days and get the same result. It could be drafted a number of different ways, but I do not think the effect would make any change.

The CHAIRMAN: I think it is very clear, gentlemen, that it has a definite meaning and is being interpreted satisfactorily.

Mr. BROOKS: What is the definite meaning?

The CHAIRMAN: The definite meaning is that he gets paid on the basis of his service overseas, and it is calculated to begin with that he is "to be entitled to be paid an amount of 7 days' pay and allowances for each period of 183 days." Then if he served a lesser period he gets paid on a basis of the proportion

that the lesser period bears to 183 days, of the 7 days' pay and allowances. It is quite clear what it means. In other words, if he serves $1/6$ th of 183 days, he would be paid $1/6$ th of the 7 days' pay and allowances. That is correct, is it not?

Colonel LAWSON: That is correct, yes.

Mr. PEARKES: That entitles anybody who goes over on a 30 days or 2-weeks Cook's tour to England, to receive these gratuities. I thought the intention was that the man would serve 6 months continuous service over there, and then he would be entitled to his gratuity, his grant; and that if he served more than 6 months, but not another 6 months, the balance would be calculated on this second rate.

The CHAIRMAN: Would there not be the danger of excluding somebody who went to the Aleutians or Kiska from getting the benefit of it if you limited it to 6 months or over; because they were there less than 6 months, were they not?

Mr. PEARKES: Some were.

The CHAIRMAN: You would not exclude them, would you?

Mr. PEARKES: My understanding was that all people were excluded unless they had done 6 months continuous service overseas unless they were wounded. I think there is a provision somewhere that when a man was wounded, then he should get it. But if a man just goes over for a 2 weeks' tour which, at the end of the war, was given to all kinds of people, just so that they might go and be familiar with conditions in England, I do not think those people are entitled to the overseas gratuity.

Mr. WOODS: Mr. Chairman, if the officer concerned was only over there for two weeks, he would get less than a day's pay out of this.

Mr. CRUICKSHANK: Why should he get anything?

The CHAIRMAN: The difficulty is that once you start trying to limit it, you are going to get some cases where a man is sent overseas or may be a volunteer and go overseas and be joined to one of these units that has already been repatriated. He might have been overseas less than 6 months and then you deprive him of some rights because you are trying to take those rights away from somebody else. I well remember what came out of this committee when we took the insurance principle out of the Act. It was because of a consideration that we figured somebody was not entitled to it, and then we took the insurance principle out of the Act. I remember it very plainly. When you start trying to take things away from people, you may strike those you are sorry you struck.

Some Hon. MEMBERS: Hear, hear.

Mr. FULTON: I have another question on that, and it is with regard to the classified rates of pay, these 10 days' pays and allowances that were payable or in respect of the date of discharge. I think we should decide whether that should read, seven days' pay of rank or appointment. The fact is this. With staff officers, a major gets \$7.75 a day pay of rank but if he also has some staff appointment he could get \$10 a day. There is going to be some dispute as to whether that means \$10 or whether it means \$7.75. It goes further, because in some cases an officer who vacated an appointment continues to receive the pay of his appointment for 30 days after vacating it; and if in the meantime he is coming home and is being discharged while he is still getting \$10 a day, that is his rate of pay at the time of discharge. I have talked with the pay authorities in the army, and I understand there is some discussion going on as to whether this should be modified to read, "pay of rank" or whether it is to include pay of appointment as well.

The CHAIRMAN: On that point, Mr. Fulton, I think we could more properly discuss that under subsection 3, could we not, which reads "Where a member is

posted to a special discharge unit or establishment and his pay and allowances are reduced by reason of such posting the pay and allowances received by him immediately prior to such postings shall be deemed to be the pay and allowances for all purposes of this section." That probably does not carry out what it was intended to carry out, but we can at any rate discuss that under subsection 3, and the points you have mentioned.

Mr. FULTON: That is true except that I should like to make this clear. In other cases the moment you vacate an appointment, you lose the pay of your rank. Take the case of a division, such as the first division coming home. An officer who up to that time was a lieutenant-colonel, and was holding a staff appointment on divisional headquarters, ceases his appointment the day that the divisional headquarters is disbanded, as was done in that case. It did not come home as headquarters. It is posted, say, to a unit which is coming home. He ceases his appointment and he ceases his pay. He is not posted to a special discharge unit. He does not lose his pay by reason of being appointed to a different depot; he loses it by reason of ceasing to hold the appointment. He comes with the unit and is posted in the discharged way; so it would not fall entirely in subsection 3.

The CHAIRMAN: Well, it would fall under some amendment to subsection 3, I would take it. By carrying subsection 2 we give the basis of the thing and then the qualifications would come in a subsequent subsection, I take it, because we have tried to do that in subsections 3, 4 and 5. When we come to subsection 3, I will just bring to the committee's attention that submission of the air force on subsection 3. May we carry subsection 2, then?

Some Hon. MEMBERS: Carried.

Mr. FULTON: We can discuss that other matter further.

The CHAIRMAN: Subsection 2 is carried. Then on subsection 3, I draw to your attention the submission of the air force on that, which is on page 180 of the evidence and is as follows:—

The present wording of section 3 (3) of the Act is not considered adequate to cover cases of personnel who are repatriated, posted to a command for reposting and finally posted to a release centre for discharge. It is suggested that the subsection should provide that the pay and allowance in issue at the unit, establishment or ship where the member last served in his normal capacity or trade shall be used for the purpose of computing the overseas supplement.

That is the submission of the air force by Air Commodore Murray for the chief of the air staff. Do you wish to say anything with regard to that?

Mr. WOODS: The air force is here.

Mr. GUNN: Mr. Chairman, may I just say at this point that I had ready for presentation to the committee this morning an amendment arising out of the suggestion by Air Commodore Murray, and I have been told now that the other services, principally the navy, are not quite satisfied even with the draft Act—that is the sections appearing in the draft bill here, namely subsections 3, 5 and 6—nor are they satisfied with the proposed amendment that I had ready. They would like a little further time to work out a solution of the problems involved. They hope to have it ready at the next sitting. So may I suggest that we defer consideration of subsections 3, 5 and 6 until the next meeting?

The CHAIRMAN: I think that is a good suggestion. But I should like to point out that we hope to consider this, and if we are fortunate, pass it tomorrow, so that they will have to be quick.

Mr. GUNN: We have that in mind.

Mr. FULTON: Before we defer this consideration, I should like to point out that I had not mentioned the principle, but I mentioned the question. I think when you are bearing in mind the amendment, perhaps this ought to be carried in mind as far as the army is concerned. I am inclined to think it would not be fair to make a distinction in rates of gratuity on the basis of the fact that officers of equivalent rank hold different appointments, which gives one a higher rate of pay than the other. I think when it comes to discharge, that the effective rate of pay which should be taken into consideration should be the pay of the rank and not the pay of appointment. That is in the army, in any event. If you get a lieutenant-colonel commanding a battalion who has actually carried more or as much responsibility as a lieutenant-colonel holding a G-1 appointment, who does not actually get the same pay, I think when it comes to discharge and rates of gratuity, we should at least bear that in mind, and my recommendation would be that the rate of pay taken be the pay of rank, not pay of appointment. I am not trying to take a slam at staff officers because actually I was holding an appointment which gave me \$2.25 more a day than my rank, and I think I should get my gratuity on the basis of my rank, not my appointment.

Mr. GUNN: Mr. Chairman, I may say I think that is part of the subject that is now being considered by the services with regard to these features of pay and allowances.

The CHAIRMAN: Of course, when they bring their recommendation, we will look into it very carefully.

Mr. CROLL: As another staff officer getting extra pay, I agree with what Mr. Fulton has to say; and if you are bringing in that recommendation, you should have that in mind, so that you are definite in this committee. We do not want to have any more difficulty than we need to have.

The CHAIRMAN: May we take it that pretty well expresses the attitude of the committee? Does every one agree with that?

Mr. GREEN: Probably quite a few people have already been paid on the other basis.

Mr. CROLL: I do not think so.

Mr. GREEN: If that is the case, it would hardly be wise.

The CHAIRMAN: Is there a representative of the pay branch here as we asked that he be? We asked that these people be in attendance at this committee. This committee is trying to do a job and do it as quickly as possible. Is there anybody here from that branch, Colonel Lawson?

COLONEL LAWSON: Absolutely not.

The CHAIRMAN: I wish you would bring to the attention of the authorities that we must have that man in attendance. Apparently we cannot have that question settled and we will have to let it stand. Is there anyone who wishes to make any other comment for the guidance of the drafting committee?

Mr. PROBE: Trades pay overseas was handled in exactly the same way. The man received the pay of his rank rather than the pay of his trade for posting back to Canada, and he would suffer particularly if he had a long service; he would lose considerably. It does not affect those of us who had staff appointments nearly as much as it would the tradesman who was, perhaps, getting 75 cents a day more.

The CHAIRMAN: Your suggestion is that the tradesman could get paid on the basis of his trade's pay? In other words, the suggestion is that the staff appointment be not paid on the basis of the extra pay of a staff officer, but that the trade pay be taken into consideration?

Mr. PROBE: I am not saying that, but I think the officer has not so much to worry about. The tradesman has a lot to worry about. My statement is

that the tradesman should definitely retain his trade pay for the purposes of the extra \$7 pay for six months' service. In the case of the officer, I do not care.

Mr. VIAU: Certain amendments were brought in during the last months of the war, amendments concerning pay. I think this matter should stand until the representative of the pay branch comes before this committee with the rules and regulations covering Canada and overseas, and then the matter can be discussed intelligently.

Mr. BROOKS: In that regard, I would like to see the men get everything they are entitled to, but we always understood that trade pay was for the man while he was working at his trade. He was paid that extra money because he was doing that extra work. If it is a gratuity I do not think you should base it on trade pay. I do not think the principle is good.

Mr. CRUICKSHANK: Is there any trade pay or extra pay for the men who are fighting up in the front line? We are just talking nonsense. Who won the war anyway?

The CHAIRMAN: Are there any other equally beneficial comments? I think the drafting committee; Mr. Gunn, has had some indications.

Mr. GUNN: I appreciate it, sir.

The CHAIRMAN: We will let that matter stand. Now, let us refer to section 3 (1) (a):

3 (1) If a member of the forces dies on service or after discharge but before he has been paid gratuity in full, payment of the gratuity or the unpaid balance thereof shall be made:

- (a) to a person who was in receipt of or who, in the opinion of the Dependents' Allowance Board, was eligible for dependents' allowance on behalf of the deceased member immediately prior to the member's death or discharge;
- (b) to a person, who, in the opinion of the Dependents' Allowance Board would have been eligible for dependents' allowance on behalf of the deceased member immediately prior to the member's death or discharge had such person not been a member of the forces; or
- (c) to a person who, in the opinion of the Minister of such authority as he may designate, was dependent in whole or in part upon a deceased member and to whom pay was assigned by such member immediately prior to the member's death or discharge.

Perhaps the committee might like to be told a little more about that. Could we hear from Colonel Lawson?

COLONEL LAWSON: The principle there is that if a member dies the gratuity should be paid to the person who was actually dependent or who was in receipt of the dependent's allowance. Now, subclause (a) covers the people who were in receipt or eligible for dependent's allowance. In some cases that would be the wife or the mother or a parent. Subclause (b) covers a very narrow class of cases; that is, those members of the women's services who did not get dependent's allowance although their husbands had seen service. It was considered they should not be deprived of their gratuity if the husband was killed simply because of the fact that they also were in the service.

The CHAIRMAN: Is there any reason for leaving out "or" between (a) and (b)?

Colonel LAWSON: No, there should be an "or" in there.

Mr. GUNN: I do not agree with that. I do not think there is any advantage in having it in there, sir, for the reason that these are addition classes, and that is the interpretation that is put on them. If a person falls within any one of these classes mentioned in subclauses (a), (b) and (c), they get their rights accordingly.

The CHAIRMAN: But you have "or" between (b) and (c)?

Mr. FULTON: (b) and (c) are two different classes of the same thing, are they not?

Mr. CROLL: Colonel Lawson gave an example of a case where a woman would not receive the gratuity; can you think of one who would be excluded under subsections (a), (b) and (c)?

Colonel LAWSON: You mean a dependent?

Mr. CROLL: You gave me an example.

Colonel LAWSON: (a), (b) and (c) cover all dependents.

Mr. CROLL: You say, "who, in the opinion of the Dependents' Allowance Board was eligible..."?

Colonel LAWSON: You are looking at (a)?

Mr. CROLL: Yes.

Colonel LAWSON: We use the word "eligible" because there are people who are eligible for dependents' allowance but are not receiving it because they have not applied. There is the case of a man who marries in England immediately before going to France and who, perhaps, a few days later is killed. His wife has not been receiving the pension allowance because there has not been time to go through the necessary formalities. She would get the gratuity because we use the word "eligible" rather than be in receipt of the dependent's allowance.

Mr. LENNARD: How much gratuity would she get?

Colonel LAWSON: The full gratuity.

Mr. LENNARD: Do you think it is fair to permit a man's dependents to be penalized because he happens to be killed, perhaps, on the first day in action, when somebody else is fortunate enough to come back? They receive a greater compensation than the dependents of the man who was killed on the first day.

Colonel LAWSON: That argument has been advanced many times and there is a good deal in it. One man has a soft job in London and gets the whole thing, whereas somebody else has gone over and has been killed in a couple of months.

Mr. QUELCH: I think that is a strong point. A man's life is the main thing. If a man goes through the war he gets a gratuity and if a man is wounded he gets a gratuity up to the time of his discharge. I understand now that the department are considering giving a gratuity while undergoing hospitalization. If a man is killed overseas the gratuity should be paid up until the end of the war. I think there is every justification.

The CHAIRMAN: It has been pointed out, we should bear this in mind, that the pension starts immediately on the date of death.

Mr. QUELCH: Yes, but the amount of pension is not equal to the amount of pay and allowances plus gratuity.

The CHAIRMAN: The reason for this is that in the first place gratuities were not paid if the person was killed, and then parliament pressed to have the gratuity become part of the deceased person's estate. That was granted. It went first of all to the dependents and if the man had no dependents then it went to his estate. Now then, if we are going to turn around and say that we have made part of the estate the money that would have come to him had he not been killed, we are going to try and even it up to the family on account of the man being killed, and we are entering into a field that we are trying to cover in pension legislation, and we are coming pretty close to suggesting that we are trying to compensate for this man's death. Once you get into that field you are getting into some field.

Mr. CROLL: While we are at that correct me if I am wrong, if I recall the English law on that particularly does it not fix compensation for what the man would likely have earned if he had lived? As a matter of fact, we adopted it one time in the province of Ontario and we repealed it because the insurance companies were running out on the damage claims.

Colonel LAWSON: That is right.

Mr. CROLL: That was the principle that had been laid down, but it had not occurred to me, I must admit, until what Mr. Lennard and Mr. Quelch said set me thinking, And I would not like to pass judgment on it so quickly. This goes a long way. What it means exactly, I cannot tell; but I should think it would give us considerable room for thought and we might think that over, perhaps, during the week-end if the Chairman will give us a little time to think it over.

Mr. BROOKS: If there were no pension your argument would be sound.

Mr. CROLL: I appreciate that there is a pension. On the other hand, I followed Mr. Quelch's argument that there is a difference, that the Pension Act as it is leaves much that is still wanting. This man got out that day rather than the end of the war, but if we can make it up in some way to the people who are most concerned, where the man has made the supreme sacrifice, I think we ought to give that matter a little thought, and I would be prepared to ask the Chairman to let that matter stand and we could work it over in our minds during the week-end and deal with it on Monday.

Mr. GREEN: Would you include in that the case where there is no dependent and the money would simply go to the man's estate?

Mr. CROLL: That might be a little impracticable. I think we might draw a distinction and say the widow of the dependent or the mother or perhaps the father. Where there is an estate it would be a little different. It is not the intention that anyone should profit as the result but that anyone should be put in the same position, perhaps, on the basis of those who are pensionable or receive pension as the result.

The CHAIRMAN: On that point may I say that we tried to provide for the dependents in the Pension Act. Now, whether that is adequate or not is a matter for parliament and perhaps for this committee to advise on, but let us not get beyond what is intended by this section of a gratuity going to a living person. Then parliament decides where the gratuity that the man was entitled to at the time of his death should go. Now, all we are doing here is extending that gratuity which he would otherwise get and saying it should go to his dependents or his estate. Now, if we go into this other field we are trying to lay down a new basis for gratuities as to how long he might have lived had he not been hit on a certain date or how long he might have earned the gratuity. We have tried to cover dependents in the Pension Act; but are we to try to figure out how long a man might have lived to draw a gratuity or how long he might have drawn pay, or try to treat everybody who was killed on the basis of the calculations of how long they might have lived.

Mr. FULTON: He might have been promoted.

The CHAIRMAN: I am anxious to fall in line with the will of the committee, but if we are going to consider things on the basis of the calculations which go outside of the basis of the section, I think we will take longer to get this draft bill back to parliament than we intended. This is to see that a man's gratuity goes to his dependents or his estate.

Mr. BELZILE: If I understand well, the estate is settled according to the military will. If he has a will made according to the law of his province, the estate is not settled according to his last will but according to the will that he made in the army.

The CHAIRMAN: This section is to dispose of what that man would have been entitled to had he lived. That is the only purpose, as I understand it. It is an attempt to dispose of what that man would have been entitled to in the way of gratuity had he lived.

COLONEL LAWSON: Exactly, sir.

The CHAIRMAN: Is it necessary to try to extend the amount of gratuity that would have been payable in a section like this?

Mr. LENNARD: You mention that the dependents would be cared for under the Pension Act, I do not agree with that. Every dependent who makes application under the Pension Act is put through the wringer, and there is a large percentage of the people who should receive help and assistance who do not get it.

The CHAIRMAN: Is not that a matter to deal with under the Pension Act?

Mr. LENNARD: They do not get it under the Pension Act.

The CHAIRMAN: But is that not a matter to deal with under the Pension Act rather than attempting to torture this Act into doing something else for dependents? This Act is to pay for a certain length of service. Until amendments are made it dies with the man. The suggestion is that it should not die with the man; what he earned up to the time he died should go to his dependents or his estate. I suggest with all deference that we should not quarrel with this section. There is no reason why we should hold it up to try to extend the gratuity payments.

Mr. BENTLEY: Will the committee deal with the Pension Act?

The CHAIRMAN: What is the will of the committee on this matter? I am in the hands of the committee. We are supposed to hear recommendations on Monday that may run over until Tuesday. If we could get this Act through this committee to-morrow we could get it into the House and then we would have shown some results of our work. There is no committee of this parliament, even though it sits for another month, that will, during the whole time of parliament, give as much time and thought to the work given it by parliament as this committee, but I would like to have at least one result of the great study and time that has been given to this matter shown to the House.

Mr. CROLL: We are ready to stay here to forget all about other committees. I think this is the most important committee. But I hesitate at this particular moment to act rashly on this matter. At the moment, if this is called to a vote I am going to vote for the extension on the basis that the principle has already been laid down, but I am prepared to give it some further thought, some more mature thought. We in this committee must not feel that we are in any way limited. We make recommendations to parliament which parliament may accept or reject, but it is our collective view that goes to parliament. This has brought up a very important point concerning the man who is killed by a motor car in England; his estate will receive many many times more than an estate receives in this country. That is the law of the land. Perhaps they are more enlightened than we are in that respect. I think they are.

Mr. MACNAUGHT: That comes under the fatal accidents' law.

Mr. CROLL: Yes. The purpose of the Act is to provide for the family. It might be the purpose of this Act. Once we have established a principle, by the time we get back to the Pension Act we have to go back and to some repealing which is harder in the House. If we make up our minds here we will be of sound mind and we will be more convincing to the doubtful. As it is we will be sniping at each other in the House. I think that is a mistake.

Mr. GREEN: I think, perhaps, that Mr. Croll's suggestion is a wise one. Let us not have a snap judgment.

The CHAIRMAN: How about putting the matter over until to-morrow rather than next week?

Mr. CROLL: I can think as quickly as most people can.

Mr. GREEN: It is a far-reaching suggestion, and I think we all should have an opportunity to think the matter over. I would also suggest that at the same time consideration should be given to including under the terms of this Act the people on whose behalf representations were made this morning. If we are to grant the request of General Ross and his associates, then this matter will not be included in the definition of the clause in this bill. Personally, I think it should be done. I haven't the slightest doubt about that, and I would ask that an opportunity be given also to consider that change.

The CHAIRMAN: That will be dealt with under the next bill we propose to take up, which you have in front of you now and which could relate to fire-fighters and certain supervisors. Section (b) of that bill extends the War Service Grants Act to the payment of gratuities under this Act.

Mr. GREEN: There is a little difference. These men are asking that the supervisors be put in the same category as the forces, and if their request is to be granted it should be included in this bill and not the Pension Act or the War Veterans' Allowance Act; they should not be shoved off into a separate bill where a portion of the benefits are granted. If they get into this other bill they will get only a portion of the benefits.

The CHAIRMAN: We will decide when this bill is before us the extent to which those benefits will go.

Mr. GREEN: By that time it will be too late to get them into this bill. My suggestion is that they should be treated as members of the forces. We had a good illustration in the case of Captain Porteous, who served with the troops in Hong Kong. Are we going to say that that man is not entitled to the same benefits as the other men who were in Hong Kong with him? I think he is, and I do not see how any member of parliament can believe otherwise. The only way to protect him and the other men who are in the same position is to put them under this War Service Grants Act and not shove them off into some subsidiary bill. That is the kind of treatment that has been meted out to them during the last three or four years, as you will see from the brief that was submitted this morning. If we are going to do that to these men the way to do it is to shove them off into the other bill.

Mr. CROLL: For instance, would you exclude fire-fighters? I am of the opinion that the fire-fighters deserve a great deal of consideration from this committee just as the supervisors do.

Mr. GREEN: I am not excluding fire-fighters. I am not making any distinction between different groups of people. We have only had the one brief and that has had to do with the men in the auxiliary services; we will have a brief from the fire-fighters next week. They may not ask to be put under this particular item.

The CHAIRMAN: Yes, they do. There are civilian flyers and various other bodies; but are we going to hold up this bill?

Mr. GREEN: That is all right; it may be they should all be put under it, and if they should this bill should not be rushed to the House.

The CHAIRMAN: May I direct the attention of the committee to the fact that we decided that this War Service Grants Bill would apply to the armed forces, and we set down a basic foundation upon which the armed forces would be treated; and then in subsequent bills we would decide to what extent those who were not actually in the armed forces would get the benefit of this legislation and other legislation applied to the armed forces. It brings this point up again; if we are going to hold this bill up until we decide who are going

to get the benefits of it, we are going to hold up the bill that deals with the armed services while the committee talks about whether this one or that one should be under it.

Mr. FULTON: Is not exactly the same thing going to happen in the House?

The CHAIRMAN: If we do not deal with this matter in a business like way and deal with the war services first—if we try to bring everybody under the War Service Grants Act—or everybody who think they should be under this Act, we will hold up a measure of justice to the armed services while we are dealing with these other things.

Mr. FULTON: It will be before the House.

The CHAIRMAN: In the House they will deal with the armed services first, and they will say which other people will get the same benefits as the armed services.

Mr. CROLL: This is the principal one.

The CHAIRMAN: Yes, the principal bill.

Mr. GREEN: I would suggest that we do not bring into the discussion implications that we are holding up benefits to the soldiers by discussing this bill or by wanting to have the details discussed. That is a wrong approach. Nobody is trying to hold up anyone or anything; but a submission was made this morning that certain people should be treated as members of the armed forces. They were so treated in the last war. They were, in effect, in that position in this war with the exception that General McNaughton would not agree to give them that standing. That is the fact, as I understand it; and we have to decide whether their request that they should be treated as members of the armed forces is right or not. We cannot be stampeded into rushing this bill through. After it is through we can talk about these other things. This issue has to be decided before this bill goes back to the House.

Mr. Mutch: It amounts to this, that the organization of the committee as it was set up last week is thrown overboard and we cannot report any bills until we decide everything. I am weary of the suggestion that there is any attempt on the part of this committee to rush anything through. There has been every opportunity for full and exhaustive discussion in this committee. I do not think it is a point at issue at all whether or not these people on whose behalf we heard representations this morning get what they want in one bill or another bill. That is my understanding. We may say that they are indeed part of the armed forces and what we hope to be able to do to impress upon the authorities that they shall have all the benefits which they would have had had they been members of the armed forces. That question was settled for good or ill back in 1939 and 1940. Now, if there is any advantage, and the committee agreed last week that there was an advantage, in getting this bill settled and sent forward by restricting from the bill consideration of any others than those who served in the armed forces, my contention is that we should go on with it. There is nothing sinister about establishing the principle. Those persons who desire—and in my opinion, quite frankly, they are entitled—similar consideration to the consideration afforded in this bill can be treated under this draft bill which is up for first consideration. Certainly, General Ross did not suggest that they were concerned about the method by which they got the benefits for which they asked but only that they be given the same benefits. There is no virtue or no point in not urging on their behalf that they be included among the armed services—something which this committee has no power to do—but that we see by one method or another that they get the assistance for which they ask and to which they are entitled. I think a good deal of the discussion is beside the point.

Mr. GREEN: There is just one feature about that. This committee has full power to recommend that the definition of forces for the purpose of this bill shall

be such that men on whose behalf representations were made this morning should be included.

Mr. FULTON: Then we have received certain submissions from the Legion respecting the War Service Grants Act which deal with a number of cases, such as those of Canadian veterans in the United States, Canadian veterans in the United Kingdom, and flying instructors. It is surely up to us to say whether those are veterans; and the Legion's submission is that they are veterans and that they are entitled to the benefits of this Act. Furthermore, Mr. Chairman, with respect to that point, this committee was formed purely to draw up a veterans' charter. That is the high-sounding phrase and I think it is a good one—that was the phrase used in connection with this committee; and I suggest we would not be drawing up a charter if, as Mr. Green says, you send in one Act that until we get those questions which are questions of principle decided the background. I think what should come out of this committee is a clear, concise and comprehensive piece of legislation, so that anybody who is defined as a veteran knows exactly what his rights are. I submit we will not be doing that until we get those questions which are questions of principle decided before we take the bill back to the House. I suggest that we make haste slowly, and that we take time for this discussion so that when we do finally make a recommendation to the House we do not have to set to work defending ourselves, answering a lot of questions which otherwise will exist, and so that we do not have to go back and undo something which we have done. For those reasons I certainly strongly support Mr. Green's suggestion that we make this thing a real comprehensive Act.

Mr. QUELCH: I would be very much opposed to including other services in this bill. After all, there is a difference between combatant troops and the various auxiliary services. We were told yesterday that gratuities were a matter of hazard. Surely no one is going to argue that there is the same opportunity of hazard for those in the group of men referred to this morning as for those in the army. If it is suggested we should bring other groups in, I suggest the first group should be brought in would be the merchant marine, because the merchant marine were the target for attack. These individuals referred to this morning were not the target for attack. If they got hit, it was by accident. I quite agree that they suffered a lot of hazard, but it was an accident if they got hit, not because they were the target for attack. The merchant marine were. I think it would be a mistake to even dispute that this is referring to the armed forces. Everybody can agree on that. So far as these other services are concerned, there is a dispute as to whether those services should be brought in. Let us wait until we come to that question on the next bill.

As to whether or not we will have trouble in the House, I do not think there is any danger, because I think it is a rule of the House that you cannot discuss any question that is being considered by the committee; as we will be considering these men in committee in the next bill, therefore it will be out of order to bring it up.

Mr. MUTCH: It is 12.30 Mr. Chairman.

The CHAIRMAN: Does any one else wish to speak on that question? We are reconsidering something we had already decided, but it is always open to us to do that. We already decided to have a bill dealing with the armed forces, and to deal with the other subsidiaries and the other people who wished to be brought under it in a subsequent bill or bills. Is it the wish of the committee that we reconsider that action and try to consider everything when we are considering the War Service Grants Act?

Some Hon. MEMBERS: No.

Mr. GREEN: Do not be in a hurry about this. I suggest that we let it stand over with the other suggestion of Mr. Fulton.

Mr. MUTCH: I move that we adjourn.

The CHAIRMAN: I think, Mr. Green, when you say there is some suggestion that we are pressing things, I should say this. If there is any suggestion at any time that any one has not had a chance to ask any question he wants to ask or say anything that he wants to say, I hope it will be made very plain that our desire to try to get as much done as possible does not impinge on any right of any member of the committee; and I hope it will be brought to my attention very forcibly so that there is not any interference with the rights of the committee.

Mr. LENNARD: I would draw to your attention, Mr. Chairman, that we should consider this point very carefully. When Mr. Croll suggested that the matter we were discussing some little time ago regarding the gratuities should be mulled over until the first of the week, I would draw to your attention that you suggested it should be considered tomorrow and that we should make a snap decision over the next 24 hours. It leaves the impression that we are trying to rush things through too quickly.

The CHAIRMAN: Of course, Mr. Lennard, I would observe in self-defence that we have had this bill before use now for two weeks. We have had representations from the Legion and everybody else, and I thought that we would be pretty well inclined to make up our mind on some of these things.

Mr. LENNARD: We have had representations apparently on something that does not apply to this bill at all, according to your ruling.

The CHAIRMAN: The reason that we have had it, Mr. Lennard, was to meet the convenience of General Ross. I thought I made that plain. It was so that he could make the submission before he went west. I feared that having these submissions being brought in before we got through with this bill, would raise this very point. I apologize to the committee for doing so, but it was done just for the convenience of General Ross.

Mr. CROLL: You did not do it, Mr. Chairman. If there is any blame, I think the blame belongs to us on the steering committee. We were the people who suggested that it should be done. It was not yourself. I do not think the chairman should be blamed.

Mr. MUTCH: I move that we adjourn.

The CHAIRMAN: There is a motion that we adjourn.

We meet again at 10.30 to-morrow in the railway committee room. I should like to see the steering committee for a few minutes, if I might.

The committee adjourned at 12.35 p.m. to meet again on Friday, October 26, at 10.30 a.m.

APPENDIX A

PROPOSED AMENDMENT TO DRAFT BILL FOR AN ACT TO
AMEND THE WAR SERVICE GRANTS ACT, 1944

Section seventeen is deleted and the following substituted therefor:—

17. (1) Subject to subsection two of this section, a person who, subsequent to the tenth day of September, one thousand nine hundred and thirty-nine, served on active service in any of the naval, military or air forces of His Majesty other than those raised in Canada, and at the time he joined in the said force was domiciled in Canada, shall be entitled to be paid a gratuity and granted a credit equal to the gratuity or credit that might have been paid or granted to him under this Act had such service been service in the forces, if he makes application therefor

- (a) within one year after the day of his discharge from the forces of His Majesty other than those raised in Canada; or
- (b) within one year after the day of his discharge from the forces if he joined the forces after his discharge from the forces of His Majesty other than those raised in Canada; or
- (c) before the first day of January, one thousand nine hundred and forty-seven if at the time of his application he is domiciled and resident in Canada.

(2) There shall be deducted from the gratuity or credit authorized by subsection one of this section the amount of any pecuniary benefit of the same nature as a gratuity or credit authorized to be paid or granted to members of the forces under this Act that the person has received or is entitled to receive in respect of his service from any government other than that of Canada.

(3) If any such person dies on service or after discharge but before he has been paid gratuity in full, payment of the gratuity or any unpaid balance thereof shall, subject to subsection (2) of this section, be made to any person (hereinafter called a survivor) to whom pay was assigned or assignable by such person immediately prior to his death or discharge and who, in the opinion of the Minister or such authority as he may designate, was dependent in whole or in part upon such deceased person.

(4) If more than one survivor is entitled to payment of the gratuity payable under subsection (3) of this section, the Minister may direct that the gratuity be paid to any one of such survivors or divided among them in such manner as he may determine.

(5) The Minister may authorize any person to receive payment of the gratuity on behalf of any person entitled thereto under subsection (3) of this section and to utilize the gratuity for the benefit of the person entitled thereto in such manner as the authorized person may determine.

(6) Where no survivor qualifies to receive payment of the gratuity or any unpaid balance thereof under subsection (3) of this section in respect of any such deceased person, the gratuity or the unpaid balance thereof shall be paid to the Director of Estates and administered and distributed in the same manner as a "service estate" is administered and distributed pursuant to subsection (2) of section 7 of the Department of National Defence Act, as enacted by chapter 9 of the Statutes of 1940.

(7) Where any survivor qualified to receive payment of a gratuity or any part thereof under subsection (3) of this section dies before payment to him thereof or before payment to him thereof in full, the gratuity or that part thereof payable to him or any unpaid balance thereof shall not be paid to the estate of such survivor but shall be paid to such other person as may be entitled thereto in accordance with the provisions of this Act and, if no other person is so entitled, shall be paid over to the Director of Estates and administered and distributed pursuant to subsection (2) of section 7 of the Department of National Defence Act aforesaid.

(8) No application for gratuity payable pursuant to subsection three of this section shall be acted upon unless such application has been received by the Minister within one year from the death of the person with respect to whom such gratuity would otherwise be payable or before the first of January one thousand nine hundred and forty-seven.

APPENDIX B

OUTLINING THE REASONS FOR THE GRANTING OF FULL GRATUITIES AND THE RE-ESTABLISHMENT CREDIT, AND ALL THE BENEFITS OF THE POST DISCHARGE, RE-ESTABLISHMENT ORDER PC5210—TO AIR OBSERVER SCHOOL PILOTS WHILST SERVING ON LEAVE WITHOUT PAY FROM THE R.C.A.F.

Edmonton, October, 1945.

This brief which follows, was prepared by Service Pilots who had served one or more contracts, seconded to Civilian Companies operating Air Observer Schools across Canada. They were, during this time, officially classified as on "Indefinite Leave without Pay."

The purpose of its preparation and presentation is to secure for these pilots all of the benefits of the War Gratuities Act 1944 and to bring about some alleviation of the disadvantageous circumstances these pilots have found themselves in after discharge, due to the fact that such time passed on "Indefinite Leave without Pay" is, for official purposes, not classed as active service.

Among Canada's more important contributions to the late war effort, prominent place has been given to the part she played in the management and operation of the B.C.A.T.P. While this dominion should not alone claim credit for its successful and brilliant record in this accomplishment it must be agreed that most of the task of supplying instructional staff and operating personnel fell upon this country.

The very immensity of the program and the need which existed for all possible haste, produced situations where the only solution was improvisation and compromise.

In order that all available resources could be utilized the Government and the R.C.A.F. let contracts for the operation of certain type flying schools, to civilian companies and flying clubs already engaged in the flying business. It was found that in many ways it would be preferable to have these companies operate schools on civilian lines rather than have the whole organization become part of the R.C.A.F. Generally these civilian companies contracted for the operation of Elementary and Air Observer Schools. This brief will deal exclusively with the situation at Air Observer Schools.

In the first days of the B.C.A.T.P. the staff of such schools were totally and completely civilian. That is to say the company who operated the station employed only civilians for the purpose of running the school for the R.C.A.F. establishment on the station.

The arrangement worked very well. Immediately, however, the B.C.A.T.P. commenced to grow, shortages of trained staff appeared which in some cases grew to an acute state threatening the operation of the whole school.

Prior to the time when trained personnel became so difficult to obtain all of the companies' flying was done by civilian pilots. These men, holders of private licences, commercial licences and ex-bush pilots had all been absorbed into various schools across the country to assist in the training of aircrew. Later the supply was virtually exhausted and the operating companies had no place to secure additional pilot staff that they might keep up the pace set by the plan.

The above-mentioned civilian pilots had entered into the employ of the company as dutiful employees for the purpose of making a living from the flying business. They were in no way connected with the R.C.A.F. Many of these pilots did, however, desire to assist in the general war effort, and others chose this occupation because of the fact that for sundry reasons their services in the Air Force were unacceptable. They were the very nucleus of the B.C.A.T.P.

As things moved to the situation, as has been described above, the company officials, realizing they would soon be unable to maintain their contracts approached the R.C.A.F. for assistance. The arrangement was then made, that to provide the necessary pilots, such future graduates of the R.C.A.F. pilot training, as the companies might have need could be seconded to the school for pilot duties.

For the purpose of avoiding any misconception regarding the type of pilot which the R.C.A.F. agreed to second to the company for the purpose of flying at civilian operated Air Observer Schools we believe a definition should here be made. Those pilots who this brief supports were volunteers in the R.C.A.F. They enlisted for general service in any capacity in which the air force saw fit to place them. In practically all cases enlistment was as AC2's for the duration and one year. The progress of these men was entirely normal throughout the various stages of their training at the completion of which they graduated as P/O or Sgt. Pilots.

Once the R.C.A.F. agreed to the necessity of placing graduates of its plan at the disposal of the A.O.S.'s the matter of procedure arose. Naturally the primary question was to whom should such a pilot be responsible. In view of the fact that the flying operations at A.O.S. were completely in the hands of the companies it was thought advisable and preferable that service pilots seconded to such schools be given the opportunity of working for the company. Accordingly the arrangement was made that a service pilot arriving at an A.O.S. for flying duties, could if he chose, request and receive, a Period of Indefinite Leave without pay, solely for the purpose of flying the companies aircraft engaged in training air crew for the B.C.A.T.P. Originally it had been planned, and agreed upon, that a service pilot on arriving at an A.O.S. could apply for the Period of Indefinite Leave, or could if he chose, elect to remain in the service, in uniform, and as on active service and yet fly for the company. In short if a service pilot was to be employed by the civilian operating company he could elect service or civilian conditions.

On and after December 1, 1942, this condition was removed. After that time it became compulsory for all service pilots posted to A.O.S. to accept the period of leave in order that they might assist in training navigators, bombardiers, etc. Prior to this time it presumably has been found that the leave period was the only way in which service men could satisfactorily be seconded to A.O. Schools.

Let us suppose then that one of the Air Observer Schools across Canada find that their flight schedules are becoming increasingly heavy due to larger classes and a general expansion in the whole training plan. They are no longer able to secure additional civilian pilots because the supply is simply exhausted. They presumably, therefore, make application to the R.C.A.F. Headquarters in their command for a specified number of pilot graduates of the R.C.A.F. to be available as soon as possible for duties as staff pilots at A.O.S.

The Air Force in turn secures the desired number of pilots from the next graduating class. There were, however, several occasions where in dire necessity pilots who had already been posted for overseas and other duties were recalled and hurried off to ease the strain at A.O.S.

Originally it was planned to have only volunteers posted to these schools for pilot duties. There were, therefore, some instances in which student pilots were approached by their instructors at service flying schools and questioned as to their willingness to accept such a posting. This, however, was not always the case, particularly so in the later stages of the plan.

Some pilots did, of course, signify their willingness, others, and there were many cases, expressed a desire for some other type of duty. It should be remembered here that the essential thing was to secure pilots for these schools in order that there be no cessation or slowing down of training. The fact that some men were interrogated and others not could very likely be traced to the degree of need being experienced by the school at that time. While it has been said on several occasions that staff pilots at A.O.S. went there of their own freewill and accord, it ought also to be acknowledged that many men arrived there through persuasion which at times amounted almost to coercion. In many cases of which we have knowledge, there was neither an opportunity for, nor a request that the service pilot volunteer for such duty, he simply arrived at the A.O. School for flying duties.

Let us now trace the progress of a service pilot, a graduate of the B.C.A.T.P., as he arrives at an A.O.S. and is tested and accepted by the Company.

Arriving at the station he reports first of all to the R.C.A.F. Chief Supervisory Officer, he being still in uniform and on active service. Instructions are then given him to report to the operations staff of the civilian company. This he accordingly does and he commences a period of intensive training and probation during which he is tested by the company to discover whether or not he is suitable for his new duties.

Such additional instruction usually involves a month's to two months' training in dual flying, and instrument flying, astro navigation and general navigation instruction, as well as meteorology, airmanship and aero engines. In short there was considerable instruction given to prepare the service pilot for the additional duties he would have to assume on navigation trips carrying a crew of four.

At the successful completion of such trips the prospective pilot was declared ready for his R.C.A.F. check flight. This consisted of being tested as to flying ability by a command testing officer, generally a Squadron Leader. Having successfully completed all of the foregoing tests the pilot was declared eligible for first pilot on the company's aircraft on instruction flights. The only detail left to decide was as to how he should perform his duties, whether in service uniform or on Indefinite Leave. In the later stages of the plan, of course, there was only one condition under which he could perform such duties and that on Indefinite Leave.

Each pilot declared so fit was then approached by a member of the company and requested to apply for "Indefinite Leave without Pay." In view of the fact that the company was in charge of the flying done by the school and that it was solely responsible for flying schedules, regards pilots, it seemed a perfectly logical arrangement that we be responsible first to them. While the right to continue with the company as on active service did exist for awhile,

it was only availed of once to our knowledge and that time by a permanent force man.

At the time of requesting this period of Indefinite Leave from the R.C.A.F. we were assured by the officials of the companies that we were in no way hindering or spoiling our service career by taking such action. Both company officials and R.C.A.F. personnel assured us that our promotion would be forthcoming in the normal periods of time and that our seniority and service record would not suffer in anyway for our efforts at these schools.

It is generally agreed by ex-A.O.S. staff pilots to-day that such advice given as it was by responsible officers and men was given in the best of faith. Indeed we have since been assured by many of these same men that such was their sincere understanding.

There is no logical reason why it should not have been. The absolute necessity of obtaining additional pilots for the flying duties at A.O.S. existed. The only source of supply from which they could be obtained was from graduates of the B.C.A.T.P. and it was only logical and reasonable to suppose that the transfer of such pilots from the Air Force would involve nothing which would work to their discredit. Indeed it was their official understanding that such was the situation at that time.

Immediately Indefinite Leave was granted an air force pilot by the air force he completed a contract with the company for a period of six months. This contract could be immediately cancelled by a recall of the pilot to active service on the part of the R.C.A.F. Such a recall could entail service in any part of the world and in any position the R.C.A.F. saw fit to place us. It will be easily seen that the contract with the company was merely the continuance of the air force control over our actions. At the end of the first contract the pilot was free to request a recall to the service for whatever posting might then be available.

It is quite common knowledge to-day that pilot losses in the R.C.A.F. Overseas were not nearly as high as had been expected. This combined with the large expansions in the B.C.A.T.P. had produced a very large surplus of pilots overseas. Consequence was that overseas postings were rationed on a very slim scale. Should a pilot be fortunate enough to secure an overseas posting he generally spent at least a year awaiting a posting to an O.T.U. and his final posting to a squadron; what happened more frequently was that he was posted for further instructional duties.

As obstacles against such a posting there were the facts as follows:—

1. Each A.O.S. having only enough pilots to meet its obligations were generally reluctant to loose them.
2. The facts as have already been enumerated namely the likelihood of getting further instructional duties.
3. Each visiting flight which arrived at the school testing pilots for the R.C.A.F. described the hopelessness of attempting to get into action. They also strove to impress upon us the importance of our work at A.O.S. and not infrequently impressed upon us the high calibre of skill shown.

In spite of the foregoing many pilots did request repostings back to the service and when they were fortunate enough to secure them, executed their new duties with as much valor and devotion as others in the service. There are to-day many ex-A.O.S. pilots who have earned many decorations and citations on operational and training and experimental duties.

While we now had become employees of the company, under the pay and discipline of the civilian body, there was in reality nothing to the situation which could be considered strictly civilian. We were responsible first to the management and secondly and yet very directly to the R.C.A.F. Should it occur that during the tenure of a contract a service pilot flew in a manner of which the R.C.A.F. seriously disapproved the offending pilot was immediately recalled to the service for some disciplinary action that the service thought appropriate. Lesser infractions were dealt with by company officials.

We were at all times when not on duty permitted to wear the service uniform and rank and decorations. This is definitely not a privilege permitted reserve officers and men when not on active service. While on Indefinite Leave without pay, we were advised by D.R.O. of the station on which we served that we should henceforth be permitted to wear the eighteen month's service ribbon. It should be noted here that in order to qualify for this ribbon the time spent on indefinite leave had to be counted in order that we might qualify.

Periodically promotion was forthcoming, but frequently, and generally, it was far behind that which we might normally have expected had we remained in the service.

Our very duties themselves, involving as they did the training of active members of the R.C.A.F., flying aircraft which were in truth the property of the R.C.A.F. and operating under the wishes and directions of the service only led us to believe that in reality we were a very important arm of the service.

There was little choice in the matter, we could either fly for the schools or return to the service and do some other job that had to be done. Indeed it was not our intention of leaving the R.C.A.F. It was very naturally the desire of all pilots to participate in operational flying and to do work other than instructional duties. The fact that we were required to train students of the B.C.A.T.P. in the status quo under which we served, we did not, and do not consider any reflection on our efforts. The smooth functioning of the training of observers, navigators, bombardiers and WAGs. together with the lack of friction between air force and civilian companies operating these schools we believe to be evidence of our sincere efforts.

Our duties on these stations involved the flying of aircraft on navigational instruction trips. The flight generally was of three to three and one-half hours' duration and carried a crew of two navigators, a bombardier and a W.A.G. Our crews were frequently very inexperienced and required a great deal of assistance and supervision. In order to understand and be of assistance to them we took, at frequent intervals, extended navigation courses.

Sole responsibility for safe return to base rested upon the pilot and because of the nature of the trips, taking us over many routes and wrong courses, it amounted at times to a difficult task. The Service Flying School instructor is blessed with only one student being able to fly the aircraft at a time. In a normal navigation trip the bombardier, the two navigators and the W.A.G. all generally want something different at the same time and when they are all inexperienced it can create some trying situations.

Much of the equipment we flew was worn out. The Anson Mark I which served this country so nobly was at times an uncomfortable spot to be. The proper training of navigators in night or astro navigation required a very great deal of night flying on the part of A.O.S. pilots, in fact this particular type pilot probably flew as many hours at night as any other pilot in the R.C.A.F. Meeting as we did all kinds of weather on these various trips because we covered so much ground, we frequently had situations where we were left almost totally to ourselves to return to the airport safely. Generally an A.O.S. pilot flew 1000-1500 hours at a school—to be brief it was sometimes a very long and monotonous job of work.

In previous discussions regarding the legitimacy of the claim for full credit and privileges under the War Service Gratuities Act, as advanced by the A. O. S. pilots considerable discussion has hinged around the financial aspects of the problem. We believe that it can be shown here that pilots in this category did not benefit unduly or to an extent in excess of service personnel doing similar duties.

For the purpose of illustrating the situation we have taken figures from a brief which was presented to the Department of Finance and the Hon. J. L. Isley in 1943. This brief was prepared by the pilots of the Winnipeg Air Observers School. It showed a comparison between the income of R.C.A.F.

personnel on active service and that of service pilots at A.O.S. The object of its preparation was to secure a reduction in the income tax levied on A. O. S. pilots at that time, on the grounds that in some cases these pilots were not netting as much as they might normally have expected had they remained in the service.

Shortly before the time that this Winnipeg brief was prepared and submitted to Ottawa, the Income tax officials had passed a special allowance for members of the Royal Air Force Trans-Atlantic Transport Command. This allowance was made to exempt these personnel from one-third of their total income. In other words one-third of the total income of pilots in this branch was henceforth to be considered tax free. It was felt that concessions had been made to both R.C.A.F. and civilian personnel of this branch which had not been made to Air Observer School pilots.

Accordingly the above brief was submitted to the Hon. J. L. Ilsley. After reviewing the case and after further discussion with the Hon. Mr. Power, then Minister for Air, it was returned to the group submitting it with the following remarks;

- (a) The rates of pay have been standardized for all pilot personnel, whether seconded from the R.C.A.F. or straight civilian employees.
- (b) The rates were set at a figure which, for the service personnel on leave without pay would net the individual after payment of income tax, approximately the same amount as his service pay.

Comparison is then made between a Pilot Officer married and having no other dependents, and a Senior A. O. S. pilot in the same category.

The figures for this case are as follows:

Pilot Officer General List

Married no other dependents	
Service pay per annum plus subsistence.....	\$3,458 55

A.O.S. (R.C.A.F.) Staff Pilot

Married no other dependents.	
(Senior) at \$375.00 per month.....	4,500 00

Less Income Tax including Compulsory Savings	1,708 00
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	<u>\$2,792 00</u>
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Income plus Compulsory Savings portion or

\$2,792.00 plus \$474.67 Savings portion..	\$3,266 67
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Pilot Officer, general list, as above.....	\$3,458 55
Senior A.O.S. Pilot as above.....	3,266 67

Or a net difference per annum of.....	<u>\$ 191 88</u>
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In reviewing these figures we should like it borne in mind that we are endeavouring to show that the various aspects of the case have placed us in a particularly poor position with regard to our ability to rehabilitate ourselves.

From the above it can be seen that allowing the Compulsory Savings as part of the A.O.S. pilots' net income, we find he is still receiving \$191.88 less per annum than the Pilot Officer.

Since this comparison was prepared the War Service Gratuities Act has been passed. Under legislation provided therein the above P.O. for service in Canada would be entitled to approximately \$90.00 War Service Gratuity and an additional \$90.00 credit for every year's service. Because of the fact the gratuity is readily available very shortly after discharged we may consider it

to be a part of the income of the P.O. per annum. After adding the War Service Gratuity we find the P.O. is netting as above:—

\$191.88

180.00

\$371.88 per annum in excess of the
A.O.S. pilot.

Because of the nature of compulsory savings and due to the fact that it is of no practical value until payment is made which incidentally may not be for some three years it is of no value as a means to rehabilitation. We might even consider it as having no value for the next three years and drop it from the A.O.S. pilot's net income. In that case we would see that for the most important, all essential first three years of civilian life during which the R.C.A.F. staff pilot is attempting to resume a normal civilian life and occupation he is being penalized at the rate of the original difference plus compulsory savings or a total of:—

\$371.88

474.67

\$846.55 per annum.

We cannot believe that compulsory savings was originally instituted for the purpose of assisting members of the armed forces. The fact that those who were taxed did benefit was incidental. The enactment of the War Services Gratuities Act 1944 should be evidence that some further allowance was necessary for military personnel to assist them in the transitional period.

A comparison of a Pilot Officer, single, and an A.O.S. senior pilot, single, drawn along similar lines shows a balance in favor of the Pilot Officer of \$163.33 without subtracting the compulsory savings portion from the staff pilot. Making no allowance for the compulsory savings he, the Pilot Officer, shows \$543.33 in excess of the staff pilot per annum.

Drawing from the reply of the income tax officials we submit:

1. That the rates of pay were established prior to the enactment of the War Services Gratuities Act.
2. That the assessment rate of Income Tax has since the establishment of the rates been increased.

The reason for using an Air Force Pilot Officer's pay as a basis for comparison is that when the contract was signed with the company we were assured the equivalent pay of a pilot officer.

It should also be noted here that the A.O.S. pilot had during his employ by the company many expenses which the Air Force Officer's allowance did not have. For instance, we were completely responsible for our health, and ability to report for work. Toward this end most pilots carried hospitalization insurance. We received no clothing other than a \$50.00 a year allowance. The balance of all clothing we had to provide. There were many other expenses which we incurred because of the fact that we lived as civilians with little or no organization to prepare things for us.

We desire nothing to which we are not entitled—we do, however, think that we are fully entitled to some financial assistance in the form of the full Gratuities and the Re-establishment Credit and all the Benefits of the Post Discharge Re-establishment order PC 5210.

The men to whom it is proposed these benefits be given were not civilians. They were members, and full accredited ones, of the R.C.A.F. They were given indefinite leave solely for the purpose of keeping the school in operation. It

was not their choosing that such schools should be operated on civilian lines. They requested "Indefinite Leave without Pay" because of the wishes of the operating companies and because they believed it to be the only logical and efficient arrangement. They did so in the conviction that they were doing nothing to endanger their service status. Had they known the situation as it now exists they would forthwith have taken measures to remove themselves as far as possible from these schools. Had they done so it would have necessitated the R.C.A.F. taking over the operations of A.O.S.

There are many other features to the problem in addition to the financial. Many of the men who flew as pilots on indefinite leave were very young men, who, prior to joining up had been at school and university. They had no business to return to on discharge, many knew only one thing and that was flying. The fact that they did their duty in the B.C.A.T.P., in civilian uniform and under the title of "On Indefinite Leave without Pay" did not simplify or take care of the problems which arose when after four and five years of military flying, and a life completely foreign to their chosen occupations or aspiration, they returned to civilian life.

There should be no confusion allowed to exist between a straight civilian and a service pilot seconded to a company. On the one hand the civilian entered into the employ of the company as a means of livelihood, and a source of income, and, some for the experience they might gain in their chosen profession of flying. On the other hand the R.C.A.F. pilot was seconded to the company, because the need was there for pilots to train members of the B.C.A.T.P.; the officials of the R.C.A.F. had detailed him to do that work and because of the mode of management it was only fitting he work with the operating company. The cessation of such service, on the service pilot's part posed as many problems for him as did the cessation of service on the pilot's part who had remained continually in the service. The R.C.A.F. service pilot who flew for a civilian operated A.O.S. was in reality an arm of the R.C.A.F. which operated for and to the benefit of the whole service.

It is an established fact that no line flying ability was drawn in choosing A.O.S. staff pilots. Many pilots who were to spend several years at these schools were taken off the boat in Halifax harbour, on their way overseas and returned to A.O.S. across the country to instruct navigators. The ability of these pilots and of all pilots at A.O.S. was high and was frequently called so by visiting testing officers.

On the grounds of the foregoing it is difficult to see why, when the War Services Gratuities Act was passed proper provision was not made for pilots of this class. The number of service pilots seconded to A.O.S. was quite large. This is not a problem which effects only a very small group of men. Generally 70 per cent of the pilot staff at these schools was service personnel on leave and considering the number of men who at one time of their service career did such duty we arrive at a sizeable figure—a conservative estimate of which might be 2,000 men.

It is our opinion that when the original legislation was introduced the lack of provision for A.O.S. pilots was purely an oversight. When the matter was brought to the attention of the authorities it was let slide because of the confusion it was thought would develop in dealing with other groups which had been granted indefinite leave for purposes such as farming, mining, and certain types of manufacturing. We do not consider a comparison between service pilots seconded to A.O.S. and army personnel given leave to assist in the production of coal or other essential materials as justified. On the one hand the army miner was already skilled in his profession and it was perhaps almost as important that he be left at his civilian occupation as it was that he join the armed forces. The only protection he should receive in such a case should be his seniority rights.

The service pilot on the other hand had first of all to be trained for the type of work he was to perform. The performance of his duties was, as has already been stated, completely foreign to his chosen occupation, and the experience he gained while flying had little or no bearing on any position he held in civilian life. In addition to the foregoing we feel that as pilots, in charge of all the flights, and flying long hours each month we directly participated in any risk to life and limb which was experienced by all of the flying personnel of the R.C.A.F. It ought generally to be agreed that of all types granted Indefinite Leave without pay during this war, we A.O.S. pilots participated more directly in the risks of life and limb experienced by the armed forces, than any other groups.

With regard to the other civilian personnel, employed by the companies, any possible claim for gratuities for assisting in the war effort on their part, could be denied on the grounds that they did not volunteer for general service, and be accepted by any branch of the forces.

Throughout the time passed at A.O.S. by service pilots we received various notices, and advices, which would seem to indicate that we were receiving credit on our service record for time passed there. For instance, in January of 1945 a notice was posted in Air Force establishments in No. 2 Command which read approximately as follows:

"With the closing of several of the air force stations in this Command the supply of pilots will become surplus to requirements. It is felt that in view of the fact that so many requests for postings to operational training stations will be received and because of the fact that the available postings are so limited some system of rationing based on qualifications must be instituted.

"In this connection good conduct and length of service will be the deciding features. In order that all may share equally it has been decided that time passed at Air Observer Schools on Indefinite Leave will be considered active service and such time will be to the benefit of such A.O.S. pilots desiring operational training posting."

Indeed throughout those years in the employ of the company it was a case of how very near. Now it has become the reverse; how very far we were removed from the service. After our services were no longer required by the company we were returned to the R.C.A.F. and discharged in the regular fashion, being placed on the reserve. In keeping with general procedure we were presented with a Certificate of Service. On this certificate it should be noted we received credit for both time on active service and time passed at A.O.S. In short it was certified that we had served on the strength of the R.C.A.F. from the date of enlistment till the final date of discharge. We submit that the situation as it now stands is not logical or complete—we also submit that we are entitled to more consideration.

These past few months have seen what at times almost amounts to a complete dismissal of the efforts of A.O.S. staff pilots while on indefinite leave from the service. Some pilots spent two years and more at these schools, others only six months, in either case they did their job and did it well. It was essential, and without their efforts the size of the R.A.F., R.A.A.F., and R.C.A.F. would have been drastically cut. The job of training troops and personnel in war time is at the best of times a poor one and an uninteresting one. In spite of this the devotion and good honest endeavour of the A.O.S. staff pilot produced or materially assisted in producing navigators, bombardiers and W.A.Gs. who made the air forces of the Dominions what they are.

It would seem to us that the natural purpose of our existence as service pilots on indefinite leave without pay was to facilitate the functioning of the B.C.A.T.P. as the R.C.A.F. most desired it should function. We believe the actions of the R.C.A.F. indicate this. The only natural act when seconding such pilots to the civilian companies would also be to duplicate in as many ways

possible and certainly in every financial aspect, the service conditions as applied to a semi-civilian state. Indeed it has been so stated in the letter mentioned previously from the Minister of Finance and the Minister for Air.

It has been previously illustrated in this brief, that in many ways the services of air force personnel at Air Observer School have received recognition. These situations have arisen however, only in instances where it would assist such a pilot to qualify for further duties in the service. In practically all cases where he desired outright credit for his efforts at these schools it has been denied on the grounds, "that time spent on period of Indefinite Leave without pay, cannot be considered time spent on active service."

Perhaps nowhere has this worked such hardships as it has upon service personnel who at one time in their service career spent a lengthy period at these schools. Let us assume that at the end of his term with the civilian operated Air Observer Schools he is recalled to the service. In view of the fact that at such time there are probably far too many pilots for the available postings his case is reviewed for discharge purposes.

On the points system which was introduced into this country's discharging program, a man received credit of one point for every complete month's service in this country. There were other means by which he could secure points, but these will not be gone into here.

In the case of the service pilot at an A. O. School we might assume that after a training period with the R.C.A.F. of twelve months he was seconded to the civilian operated school for training purposes. He has completed, let us suppose two and one-half years' duty with the A.O.S. In other words he has at the time of recall to the service spent, approximately three and one-half years actively engaged in the service duties of the R.C.A.F., namely in training and preparing aircrew for active service.

He should therefore be credited with the forty-two points which any other member of the R.C.A.F. would have earned had he been for that length of time doing similar duties.

There are to-day men in the R.C.A.F. who although they desire a discharge from the service, being held in the service because they do not qualify, under the foregoing reasons.

We submit that such an arrangement is totally unjustified.

Would it be asking too much then, to expect some recognition for our efforts in the form of full credit on our service records for the time spent at these schools; also that we receive the benefits of the War Gratuities Act to assist us in our efforts to resume a normal civilian life and avocation. We believe because of the foregoing, that we have earned the right to such considerations.

A. B. E. STRANG,

Flying Officer,

Reserve.

APPENDIX C

MEMORANDUM RESPECTING THE STATUS OF PERSONNEL EMPLOYED OVERSEAS BY CANADIAN LEGION WAR SERVICES INC.; THE KNIGHTS OF COLUMBUS; THE SALVATION ARMY; AND THE YOUNG MEN'S CHRISTIAN ASSOCIATION, IN PROVIDING AUXILIARY SERVICES TO MEMBERS OF HIS MAJESTY'S CANADIAN FORCES OVERSEAS.

I. ORGANIZATION OF AUXILIARY SERVICES

At the outbreak of war in 1939 various National Organizations offered their services to contribute to the welfare of the Canadian Forces to be mobilized and utilized in the struggle. The Government of the day recognized that such Organizations and particularly the Canadian Legion; the Knights of Columbus; the Salvation Army, and the Young Men's Christian Association, could render many services which would contribute to the welfare of the members of the Forces, preserve morale, and mobilize existing civilian agencies for voluntary service to provide for the comfort and well-being of members of the Forces. Accordingly, the four Organizations mentioned were invited to enter into, and did enter into, contract with the Minister of National Defence to render certain specified services, and such other services as might from time to time be considered necessary and which the Organizations mentioned might be in a position to render. To co-ordinate and direct these activities a Directorate of Auxiliary Services was set up in the Department of National Defence and similar Directorates were subsequently set up in the Departments of Naval Services and Air, when created. The Government of Canada thus recognized the necessity for the provision of such welfare services to the members of the Forces, and decided, as a matter of policy, to provide such services through civilian agencies, rather than by Service Personnel as has been done in the Armed Forces of our Allies, particularly by the United States of America.

There can now be no question of the need of such services. This was amply demonstrated during the weary years of waiting, and that the morale of the Canadian Army was preserved during these years is due in no small measure to the activities of the welfare workers of the four Organizations. There is room for a difference of opinion as to the agency to be utilized in providing such services but the civilian agency properly utilized has definite advantages over a purely Military Organization, and experience has demonstrated that the services provided to the members of the Canadian Forces by these Organizations were in no respect inferior to those provided to members of other Forces and in many respects they were superior. And we believe that this was accomplished at less cost than would otherwise have been the case.

But to give such service Overseas involved employment of qualified personnel, and such personnel, other than those engaged on Headquarters Administration Staff, were, if the Organizations gave the complete service needed, required to accompany the Forces wherever they were employed. In other words, the employed personnel of these Organizations, other than Headquarters Staff, had to live under strictly service conditions, and perform their duties under service conditions, in exactly the same way as other members of the Forces, except that they were not required to do combatant duty. They were in all respects subject to Military Law.

At the outset everyone concerned was much too anxious to get on with the work to give serious consideration to the question of the exact status of

these men. They were actually civilians, although performing military duties. It soon became apparent that this situation would have to be clarified, and almost endless discussions have taken place with this end in view and successive Orders in Council and Treasury Board Orders have settled many points but, notwithstanding these concessions, these men are still at a distinct disadvantage as compared with the men whom they have served, and with whom they have served in many cases under combat conditions. It is with a view to securing a final settlement of these matters that this memorandum is submitted.

II. CLASSIFICATION OF PERSONNEL

As National Voluntary Organizations providing Auxiliary Services are obligated by the terms of our contract to supply the service agreed upon and such others as may be required and which they are capable of furnishing, the organization of such services must necessarily conform to the organization of the branch of the Military Service to which they are attached. Accordingly the personnel of the Organizations may be classified as follows:—

(a) Headquarters

Consisting of a Senior Officer, his Executive Assistants, Accounting Officers, Officers in charge of supply and Directors of various specialized departments, such as entertainment, film services, sports, education, organized hospitality, etc., with the necessary subordinate staff. These Headquarters maintain liaison with the Headquarters of the Services Overseas, act under their authority and carry out their wishes. The members of these Staffs, in their own field, perform the same functions and under the same conditions as do members of the Military Headquarters Staff.

(b) Force Directors and Senior Supervisors

These are Senior Officers attached to Headquarters of formations in the field, carry out the directions of these formations and supervise the operations of their subordinates.

(c) Supervisors

These officers give direct service to the members of the Forces. They are attached to Units, are subject to Military Law and must accompany the Units wherever they go. They are not required to do combatant duties but if they are to do the work for which they are employed they must be as close to the fighting front as it is possible for them to go. They have operated under fire, and have, in the case of the Army, always lived under the same conditions as troops in the forward areas and in the actual line of battle.

(d) Helpers

Civilian personnel recruited to assist at Headquarters and in the field and who are required to go wherever needed, and to do whatever is necessary to give service to the Forces.

III. SERVICES RENDERED BY AUXILIARY SERVICES

These are far too extensive and diversified to be enumerated. It may be safely said that nothing which will tend to the comfort and well-being of the members of the Forces, in addition to the service supplied by Military establishments, is beyond their scope. But certain specific services may be enumerated:—

(a) *Entertainment*

To establish wherever there is any concentration of Troops a Recreation Centre; to organize a film circuit and show pictures whenever and wherever possible; to organize parties of entertainers and where these are not available to improvise entertainment.

(b) *Sports*

To provide sports equipment and, in conjunction with Unit Officers, to organize and supervise all kinds of sports and games.

(c) *Canteens*

To organize a service of supply and open dry canteens wherever the Forces are located; and, when stationery canteens are not available, to make such service sufficiently mobile to take supplies to members of the Forces wherever they may be. This often involved service of hot drinks and refreshments to men close to the battle zone.

(d) *Personal Services*

Utilizing their contact with the home Organization to help a man with his marital and domestic difficulties, financial troubles, and the multitude of personal problems which can arise in individual cases.

(e) *Education*

(i) Formal Education—Working in close co-operation with Military Educational Officers, to supply instructional material, organize courses and classes, and mobilize civil educational facilities to meet Military requirements.

(ii) Informal Education—Through the organizing of group discussions, music appreciation, hobbies and handicrafts, programmes and provision of reading materials, etc.

(f) *Leave Centres*

To secure and operate at appropriate points, hostels where sleeping accommodation, meals and recreation can be provided at minimum cost to members of the forces on leave.

(g) *Organized Hospitality*

To set up an organization for making readily available the kind of hospitality offered by civilians to Service Personnel, and to provide Information Centres for the benefit of service men and women in such a way as to make their leave periods more interesting and profitable.

From the foregoing it will be observed that the duties to be performed by personnel of the Organizations supplements the services of Military personnel and are performed under exactly the same conditions as services performed by Military personnel.

IV. STATUS OF PERSONNEL—REVIEW OF STEPS TAKEN

After the arrival of Canadian Troops in Great Britain the status of Supervisors was discussed with General McNaughton. As the Government had agreed to pay Supervisors Captains' rates of pay it was suggested that they be commissioned as Honorary Captains, which would automatically have solved all problems. General McNaughton, for several reasons, was opposed to this suggestion and the Organizations concurred in his views. In later discussions suggestions that Military rank be conferred on the Supervisors have been again considered but Military authority has consistently taken the view that if this

were done such Supervisors would pass entirely under Military control and direction. The Organizations could not agree to this as such a step would of course simply make them recruiting and supply agencies and make it impossible for them to make available to the Forces the services they were capable of rendering. The Organizations do not concede that such a result was inevitable because in the War of 1914-1918 Officers of the Y.M.C.A. were Honorary Captains, yet the Organization functioned very much as it does to-day. It should have been possible to embody these Officers in the Military Forces and make their services available for these special duties. However, this was not conceded to the extent of conferring rank. It should be pointed out that the Officers serving with formations are, as has been said, subject to Military Law, they are attached for quarters, rations and discipline, they draw their pay from Military sources, and are under the direction and control of the Overseas Unit to which they are attached. The only difference between them and Military personnel is that they also continue to act as well under the direction of their own Headquarters, in the performance of their particular duties. They must perform such duties as their Headquarters may assign and are subject to recall if their services are not satisfactory to their own Organizations. Moreover they can be transferred to other duties to meet the Organizations' needs. There is direct control but no possibility of conflict, except that a man might be transferred without the concurrence of his C.O. in the Military formation. So long as he is with the formation Military control takes precedence of civil control.

Various other Orders in Council were passed, all of which were subsequently revised and were included in

(1) *P.C. 197/4417—June 18, 1941*

By this Order pension rights were awarded, subject, however, to injury as a result of enemy action. This was far short of the rights to which members of the Forces were entitled. Injuries sustained in the course of duty were not covered.

Various other Orders in Council were passed, all of which were subsequently revised and were included in

(2) *P.C. 44/1555—March 8, 1944*

This covered Headquarters Staff, Supervisors and Helpers who proceeded overseas with the approval of Military authority. The most significant part of this Order is that Supervisors serving with the Navy, Army and Air Force shall be deemed to be members of the respective service, "for all purposes except engaging in combat with the enemy and shall be subject to Naval Law, Military Law or Air Force Law, in all respects as though they were Officers of the Navy, Army or Air Force, holding the rank of Lieutenant (Navy); Captain (Army), or Flight-Lieutenant (non-flying) (Air Force) and shall be entitled to the pay and allowances, pensions and all other benefits (except income tax benefits) applicable or pertaining to such rank as from the time they embark for service outside of Canada until their services are terminated."

Helpers were declared to be "persons accompanying the Forces on Active Service in accordance with the Army Act and the R.C.A.F. Act" and entitled to pension as other ranks, and shall include only persons who have proceeded from Canada under the authority of the appropriate Military Authority.

Headquarters Staffs were accorded only medical care and hospitalization and pension rights restricted to enemy action.

Insofar as the Supervisors are concerned this Order in Council expressly recognizes what the Organizations have always contended, namely, that they are members of the Forces performing non-combatant duties to the same extent as, say, Chaplains. But income tax exemption was denied.

Helpers were given a recognized Military status and accorded full pension rights. Headquarters Staffs remained civilians with a few special privileges but no more than is accorded to any Officer of the Civil Service on duty.

Where this Order extended outstanding benefits it also created complications. The distinction between Supervisors and Headquarters Staff made it extremely difficult for the Organizations to maintain efficiency. Just as in the Armed Forces it is necessary and desirable to create Headquarters Staffs from men with experience in the field so it was with the Organizations. But men of experience and proved ability who were transferred to Headquarters suffered a loss of benefits to which they were otherwise entitled, and, while to their credit, men have sacrificed these benefits in the interests of the work, yet it is extremely unfair that they should be penalized for making this contribution to efficiency.

(3) P.C. 1087—February 21, 1944

One of the things which could not be foreseen at the outset was the heavy burden of Income tax. Men volunteered for this service and left homes and families with a certain definite assured income. The increased income tax upset these arrangements and Supervisors serving in the field found themselves at a distinct disadvantage with Officers with whom they worked and who received the same pay and allowances. After prolonged negotiations this Order in Council granted exemption of income tax as to one-fifth of pay and all subsistence allowance and they were from payment of compulsory savings. This was a measure of relief but they were still at a disadvantage as compared with Officers performing similar duties and who were wholly exempt. It will be noted that the ground for refusal of full exemption was "that they are not members of the Armed forces", and while P.C. 44/1555 expressly made them members of such Forces as fully as any other Officer performing non-combatant duties, it was expressly stated that they should remain liable to income tax. This, it is suggested, was unjust discrimination.

(4) P.C. 3228—May 3, 1945

By P.C. 44/1555, as has been noted, it was declared that "Supervisors" as defined therein were to receive all the benefits which would accrue to an Officer on service Overseas. It was naturally assumed that this would apply to rehabilitation benefits but apparently it was ruled that this was not the case and accordingly this Order in Council was passed to give them certain limited benefits. The Order has the effect of denying to such Supervisors the following benefits to which they would be entitled if P.C. 44/1555 were literally applied:—

- (1) 7 days' pay and allowance for every six months Overseas service;
- (2) Re-establishment grant;
- (3) Rights under Veterans' Land Act unless a pensioner;
- (4) Re-establishment rights such as out-of-work benefits, vocational or university training unless a pensioner;
- (5) Priority consideration in making application for Civil Service positions.

It will be noted that the benefits actually conferred are conferred entirely to Field Supervisors. All Headquarters Officers, although many of them served in the field, and all helpers are excluded.

The reason assigned for this departure from the principles set out in P.C. 44/1555 is that "it is considered that no group or class of persons serving as civilians could, in fairness to the Armed Forces, be granted benefits on the scale provided such members of the Armed forces."

This statement completely overlooks the fact that by P.C. 44/1555 these men, that is the Field Supervisors, were by His Majesty in Council in an order passed under the authority of the War Measures Act and having therefore, the force of law "deemed to be members of the Forces". In construing this word "deemed" in a statutory enactment the Courts give consideration to the results which the Legislature apparently sought to attain. Sometimes it has been construed as "generally regarded"; at other times it signifies "taken *prima facie* to be", and in other cases "taken conclusively to be". It is submitted that this latter is the meaning here. This Order replaced a large number of other Orders and was intended to finally settle the controversial question of Status. It did so by the simple expedient of embodying these persons for non-combatant duties in the Armed Forces, by blanket order rather than by the usual means of attestation or commission.

It is submitted, therefore, that Order P.C. 3228 attributed to these persons a status as civilians which they no longer possessed and, on that basis, deprived them of rights which by the previous Order were assured to them. By P.C.44/1555 they were given all benefits (except income tax) to which a commissioned officer in the service was entitled. Order P.C. 3228 takes these rights away. It is admitted that the authority which gave has a right to take away but it is submitted that is unfair that this should be done and that the reason assigned is not adequate.

The reason assigned would be entitled to consideration if the benefits denied were confined to men who had actually fought. That is not the case. There must be thousands of men who were never nearer the battle front than London, and who, while in uniform, have been performing only clerical service are entitled to all these benefits. Why then should men who have followed the fighting troops into forward areas, who have been exposed to all the rigors and dangers of the fighting zone, except in actual combat, be denied the benefits which accrue to Military personnel performing sedentary duties.

It is submitted, therefore, that Field Supervisors being Military personnel are entitled to all benefits which accrue to Military personnel Overseas.

5. Status of Headquarters Personnel

So far as Headquarters establishments are concerned they are, under present regulations, admittedly civilian with certain very limited rights. But it is submitted that there is no reason why this should be so. Auxiliary Services are what the term implies—Auxiliary to the Armed Forces. Like any other branch of the service their personnel have to be supervised and directed and supplied. To give the service required, the Organizations have had to build up a great service of supply and distribution. All that requires Headquarters Staffs. Without such Staffs the men in the field could not function, without such Staffs the Military Formations could not make their wants known and secure the service required. The Headquarters Staffs are an integral part of the Organizations and as their purpose is principally to serve the men in the services, all who are approved for Overseas service by appropriate Military authority in Canada, should be treated alike. A serving sailor, soldier or airman must go where sent and where he can be most usefully employed. All cannot fight—some must serve in the rear that others may fight successfully. The personnel of Auxiliary Services are in the same position and as the Post-discharge Order makes no distinction in the character of service of Military personnel Overseas, so there should be no distinction in the character of service of Auxiliary Services personnel.

The same remarks apply to members of the Educational Staff. At the outset the development of an educational program was entrusted to the Organizations. As time went on the value of such a program in Military training Overseas became evident and the Services developed their own Educational Organi-

zations. But the Educational Staffs of the Organizations were not entirely eliminated. On the contrary, they were, in effect, embodied in the Military scheme, and became an integral part of the Organization, performing certain definite duties. Had they not been available Military personnel would have been required to replace them. They should, therefore, receive the same treatment as Educational Officers of the Services.

6. *Service of Auxiliary Service Personnel Generally*

These men are all volunteers. In all cases they ignored the opportunity for profitable and comfortable civilian employment at home under wartime conditions and of their own freewill cheerfully accepted the hardships of Military service in order to help. They did not have to go but they saw an opportunity of service and the grateful tributes of those whom they served show that they played a worthy part. On their return they will face the same problems of rehabilitation and re-establishment as will the men with whom they served. Without the help and assistance which these benefits can give they may fail. In the eyes of the public they are men who have served. As such they are entitled to recognition.

The various participating Organizations, therefore, respectfully request:—

THAT all personnel of the Organizations despatched for service out of Canada or outside the territorial waters of Canada be accorded all benefits, pension, rehabilitation rights and income tax exemption as has been or will be accorded to members of the Armed Forces similarly engaged.

OTTAWA, October 22, 1945.

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1945
SESSION 1945

HOUSE OF COMMONS

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(SPECIAL COMMITTEE)

(ON)

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

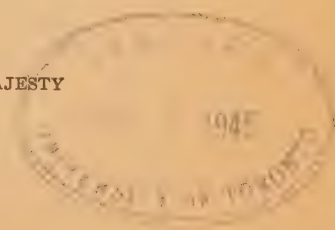
No. 8

FRIDAY, OCTOBER 26, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs.
Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs.
Mr. Alex Walker, C.B.E., President, Canadian Legion of the British
Empire Service League;
Mr. R. H. Hale;
Mr. T. D. Anderson;
James Lynham;
Major General W. W. Foster, D.S.O., V.D.

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1945



MINUTES OF PROCEEDINGS

THURSDAY, October 26, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Ashby, Baker, Belzile, Benidickson, Bentley, Brooks, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerston, Fulton, Green, Harkness, Harris (*Grey-Bruce*), Isnor, Jutras, Langlois, Lennard, Marshall, MacNaught, McKay, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Solicitor, Department of Veterans Affairs; Mr. Alex Walker, C.B.E., President, Canadian Legion, B.E.S.L.; Messrs. R. H. Hale, T. D. Anderson, James Lynham, and Major General W. W. Foster, D.S.O., V.D.

The Chairman reported that the Steering Committee had agreed to recommend that consideration of the proposed draft bill to amend the War Services Grants Act, 1944, be proceeded with at the next meeting but that it be not reported to the House until witnesses have been heard and consideration given to the draft bill regarding Fire Fighters and personnel of other auxiliary services.

Mr. Walker was called, presented a submission on behalf of the Canadian Legion, and was questioned thereon.

Messrs. Hale, Anderson, Lynham and General Foster were called and assisted Mr. Walker in explaining the Legion's representations.

Mr. Isnor filed a brief prepared by Mr. M. L. Power on behalf of the Pilots of the Halifax "Pilotage District" which is printed as Appendix "A" to this day's minutes of evidence.

The Canadian Legion witnesses retired.

At 12.55 o'clock p.m., the Committee adjourned until Monday, October 29, 1945, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 26, 1945

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, if the committee will come to order, we will proceed. The first item on which I would like to report to the committee arises out of the discussion in the committee just before it adjourned yesterday. The steering committee is recommending to the committee—we do not need discuss it this morning but I am just reporting it—that after we hear the submissions to-day we will endeavour to complete consideration of the War Service Grants Act, and then go on to the Firefighters Act which includes the auxiliary services people; and we will endeavour to make our report to parliament in regard to both. I think that was the suggestion of the steering committee; but, as I say, I do not think we need to discuss it this morning. I wanted you to know what we had decided in that regard.

In regard to the other matter, that of proceedings this morning, we had wanted very much to get the War Service Grants Act considered fully as soon as possible, but the Canadian Legion had been advised that we would hear them to-day and they have made reservation from plane and train on the basis of that understanding, and when they communicated with me I got in touch with the steering committee and the committee very readily acquiesced in the suggestion that we should hear the Legion this morning so as not to throw their arrangements out. We all realize that they are gentlemen who are giving a great deal of time and disinterested service to the cause of our comrades of the last and the present war, and we should not inconvenience them any more than we absolutely have to. So this morning we have with us the president of the Canadian Legion, Mr. Alex Walker, C.B.E., who will present the main brief, and he will call on various supporting members of his organizations to make supplementary presentations. I hope for the purpose of orderly presentation of the case of the Canadian Legion, with your permission, that members will reserve their questions until completion of the presentation. We will then proceed with questions, as we have always done in the past, and every member may ask whatever he wishes to.

Mr. ISNOR: Just before the Legion proceeds, I should like to refer to a matter about which I wrote to you under date of October 16, because there is a connection with the draft bill which you will consider in respect to firefighters. As you will recall there are a number of groups such as the merchant marine and the Halifax pilots, and so on, who wish to be heard. I feel that in fairness to them you should at the next meeting of the steering committee consider when their case is to be presented to the committee, and if it is not to be made in connection with this bill relating to firefighters then what bill it is to be considered in connection with. I certainly want to see representations made on their behalf and for those representations to receive consideration by this committee. I bring this matter up now because I feel that these people have a case that we ought to consider.

The CHAIRMAN: Will there be other briefs beside the one you handed to me?

Mr. ISNOR: Yes. I think you have my letter of October 16. Up to date I have received no acknowledgment.

The CHAIRMAN: I think I told you personally that I had received it.

Mr. ISNOR: That is good enough.

The CHAIRMAN: I will tell you now, and it will be on record, that if they submit their briefs to the steering committee that committee will set a time when they can be heard.

Mr. ISNOR: May I take it that discussion on the bill will not be closed until they are heard?

The CHAIRMAN: If you have your briefs in time.

Now, are there any other observations? If not, I will call on Mr. Alex Walker, President of the Canadian Legion.

Mr. ALEX WALKER, C.B.E., Dominion President, Canadian Legion of the British Empire Service League, Calgary, Alberta, *called*:

The WITNESS: Mr. Chairman and gentlemen, the Dominion Council of the Canadian Legion have been meeting in Ottawa the last two days, and I thought it would be the proper thing for me to bring them along here to-day so they could see how this parliamentary committee functions. With your permission, sir, I would like to introduce them to you:

DOMINION EXECUTIVE COUNCIL

Dominion President.—Alex Walker, Esq., C.B.E., Calgary, Alberta.

Dominion Second Vice-President.—E. J. Struthers, Esq., Ottawa, Ont.

Immediate Past Dominion President.—Major-General W. W. Foster, D.S.O., V.D., Victoria, B.C.

Dominion Chairman.—A. E. Moore, Esq., St. Vital, Manitoba.

Dominion Honorary Treasurer.—Captain G. H. Rochester, Ottawa, Ont.

Alberta Representative.—S. Carl Heckbert, Esq., Vermilion, Alberta.

B. C. Representative.—Robert Knight, Esq., New Westminster, B.C.

Manitoba Representative.—Lt.-Col. L. D. M. Baxter, O.B.E., V.D., Winnipeg, Manitoba.

New Brunswick Representative.—H. D. Lockhart, Esq., Moncton, N.B.

Ontario Representatives.—Erle Burgess, Esq., St. Thomas, Ont. Howard Lansing, Esq., Windsor, Ont.

P.E.I. Representative.—Capt. N. W. Lowther, K.C., M.M., Charlottetown, P.E.I.

Quebec Representative.—Alex. C. Solomon, Esq., Montreal, P.Q. Lt.-Col. E. Theodore Paquet, Quebec, P.Q.

Saskatchewan Representative.—Judge E. S. Wilson, Weyburn, Sask.

California State Command Representative.—Fred A. Cooper, Esq., Pasadena, California, U.S.A.

Great Lakes Command Representative.—Arthur Senior, Esq., Detroit, Mich., U.S.A.

Manitoba Provincial President.—Major C. Rhodes Smith, K.C., M.L.A., Winnipeg, Manitoba.

Tuberculous Veterans' Section Representative.—Major, the Rev. R. D. Mess, M.M., Chatham, Ont.

Naval Veterans' Representative.—J. J. Wittcomb, Esq., Victoria, B.C.

Air Force Representative.—Philip S. Fisher, Esq., D.S.O., D.F.C., Montreal, P.Q.

Imperial Veterans' Representative.—Captain C. L. Hall, Ottawa, Ont.

Immediate Past President—*Imperial Division*.—Jas. Lynham, Esq., Montreal, P.Q.

General Secretary.—J. C. G. Herwig, Esq., Ottawa, Ontario.

Executive Assistant.—T. D. Anderson, Esq., Ottawa, Ontario.

Chief Pensions Officer.—R. H. Hale, Esq., Ottawa, Ontario.

Editor of "The Legionary".—Captain John Hundevad, Ottawa, Ontario.

Mr. Chairman and gentlemen:—While visiting the troops overseas this summer I was asked on several occasions what procedure we take in presenting to the government our recommendations for the introduction of legislation dealing with veterans affairs. I told them that ex-service members, representing all parties in the House of Commons, were appointed a committee to hear representations and to examine proposals emanating from both the government and the veterans themselves, and to recommend to parliament the necessary legislation. I also told them that the members of successive parliamentary committees over the period of the past twenty-five years, while in committee, had acted not as the representatives of their particular political party, but solely for the purpose of helping their comrades.

I would like to tell you, gentlemen, we are very happy that we have eighty-five ex-service men as members of the House. We trust that number will be added to.

In presenting this brief the Canadian Legion has endeavoured to bring together the various proposals that have been made at its dominion and provincial conventions held since June, 1944. As the committee proceeds to deal with the various bills that will be brought to its attention by the government, those portions of the brief relating to the bills can also be considered and a representative of the Legion will be present to provide further information regarding the proposals made therein.

It is appropriate to make reference to certain recommendations made by the Legion in a brief presented to the House of Commons Committee on Post-War Reconstruction and Re-establishment, on July 2nd, 1943. A copy of this brief is submitted as Appendix "A" to our presentation.

NATIONAL EMERGENCY POWERS ACT

The first proposal is found on page 8 of appendix "A" and relates to the Post-war Measures Act. The bill recently introduced under the title of "National Emergency Powers Act" largely meets our request.

FEDERAL-PROVINCIAL RELATIONS

(See Appendix "A")

The rehabilitation program provides for certain benefits that will depend to a large extent upon the co-operation of all provincial governments for their success. The Legion believes that all difficulties likely to be encountered in making the rehabilitation program effective, involving federal-provincial relations, should receive early consideration at the next sitting of the dominion-provincial conference on reconstruction, and directs attention to the Legion submission to the Royal Commission on Veterans' Qualifications, attached hereto as appendix "B". Particular attention, however, is drawn to the following paragraphs in this submission:—

The Legion asserts that not only must full credit be given the veteran for knowledge and skill acquired in the service but freedom to practice it immediately upon discharge or upon acquiring proficiency after training. We believe this cannot be effectively carried out for all unless at the earliest possible date:—

(1) A veteran is able to move to any part of Canada to seek rehabilitation and to practice his trade, calling or profession without being handicapped, obstructed, or inconvenienced by conflicting governmental jurisdictions or by arbitrary restraints established by professional bodies or trade groups.

(2) Standards necessary to a trade, calling or profession are made uniform throughout the dominion.

(3) Matriculation standards are made uniform throughout the dominion.

(4) Any constitutional difficulties in administering the rehabilitation program are referred immediately to the conference on federal-provincial relations and machinery is set up to deal with them authoritatively and quickly.

(5) This commission on Veterans' Qualifications be empowered to make recommendations to provincial governments as well as to the federal government.

(6) In any agreements entered into between the federal and provincial governments, the federal government can secure for the veteran a practical and effective means of assessing and applying credits in education, training and employment.

(7) Unless adequate finances are forthcoming from the federal government to establish the means of carrying out the education and training benefits, by subsidizing provincial governments or provincial institutions, or by other fiscal means.

(8) Notwithstanding the efforts of private enterprise to create and maintain employment the federal and provincial governments also open up avenues of employment.

In support of the proposal in paragraph (8) the Legion asserts that there are services and enterprises that only the government can undertake because private enterprise cannot enter certain fields of essential public services or undertakings such as roadbuilding, sewage disposal, irrigation, conservation, etc. These are not to be regarded as works of artificial stimulation of employment but as enterprises essential to the general wellbeing of all Canadians. The public and certainly the veteran will no longer be satisfied with a "no money available" dictum preventing the development of such services.

ECONOMIC PROBLEMS

(See Appendix "A")

It is generally conceded that Canada's rehabilitation program can only reach ultimate success if a condition of full employment can be maintained in peacetime. All veterans are anxious that the government's rehabilitation measures shall be made effective as quickly as possible. Veterans, with the rest of the working population of Canada, will judge reconstruction efforts by the amount and nature of the work available and the wages to be paid. There is a general conviction that new kinds of services and products must be developed and that small enterprises must be set up in every part of Canada, to provide employment.

While foreign trade is essential to our prosperity, nevertheless the conviction also exists that home market possibilities should be more adequately developed.

The Legion has already received much evidence that veterans who were in small businesses before the war are encountering great difficulty in re-establishing themselves therein, notwithstanding the priority which the Wartime Prices and Trade Board gives them in securing supplies. These wartime controls at present operate in such a manner as to prevent many veterans who have the necessary capital seeking re-establishment in small businesses. It seems likely that before these controls can be lifted much of this capital will have become dissipated and the opportunity of these veterans entering their chosen business will no longer exist unless some assistance is given.

It has been demonstrated in a large number of instances that the re-establishment credit is inadequate for small business enterprises and only a very few veterans will be able to make use of it effectively in this field.

The Legion, therefore, recommends:—

- (1) The use of the Industrial Development Bank Act to finance veterans to enter small businesses;
- (2) The the government develop a policy of fostering small enterprises, furnishing research, technical advice and assistance to enter foreign trade, and generally make available to small business what big business because of its large resources can furnish for itself.

The Legion asserts that if private enterprise is to succeed in this country then there is a need to develop more employers, to find jobs for job seekers, and the development of small businesses is one way to accomplish this.

- (3) That the Industrial Development Bank Act be amended to provide such a service to veterans and that the necessary machinery be set up to provide the services referred to in recommendation (2).

At this point I think it appropriate to warn the government that while measures such as the **out-of-work** benefit and unemployment insurance are of some help, a sharp return to unemployment on a large scale would be bitterly resented by veterans and workers alike and might lead to serious trouble.

PREFERENCE IN EMPLOYMENT

(See Appendix "A")

As a matter of government policy a preference in referral by employment offices is now being extended to veterans. The Legion recommends that in order to maintain this preference the government should retain some wartime controls or establish adequate controls under the National Emergency Powers Act.

The Legion feels that the government should retain the registration of both jobs and job seekers, together with the use of the open permit system for veterans. The open permit enables the veteran to seek his own job, and it is our view that preference in referral, together with a permit to exercise freedom in seeking employment, will result in the rapid placement of a large number of veterans.

It must be realized that the Unemployment Insurance Commission is a new organization and it has not had a long background of experience in placement work as similar organizations have had in other countries. In this connection the Legion would recommend:—

- (1) That in order to make placement more effective the Unemployment Insurance Commission develop close and friendly employer relations so that employers will not hesitate to make use of the employment offices and will seek the employment of qualified veterans.

- (2) That to secure effective placement of veterans, placement officers who are ex-service men and who understand the nature of trades training and employment in the three armed services should be engaged by the Unemployment Insurance Commission.

HOUSING

The Legion does not need to emphasize the fact that housing conditions throughout the country are extremely unsatisfactory. Efforts now being made to rectify conditions do not appear to be very successful due to rising costs, shortage of materials and lack of labour. Measures adopted to relieve the situation seem to have resulted in competition between private building and building by Wartime Housing and Veterans' Land Act Administration. The main sufferers in this situation are veterans who are endeavouring to build their own homes. Stocks of materials lie idle in the custody of Wartime Housing or the Veterans' Land Act Administration while private building is brought to a standstill.

The Legion recommends that steps be taken to free idle stocks under the control of government agencies, which cannot be utilized immediately, for the use of veterans building their own homes.

It is also apparent that the present rate of building houses is totally inadequate to meet the emergency needs. The Legion feels that a more aggressive housing policy and program is necessary. It may well be that some time must elapse before materials become available and sufficient labour enters this field of activity to make building of the type of houses desired possible on a large scale.

The Legion therefore recommends that the government adopt a policy of providing rapidly constructed low cost emergency shelter for rental, to meet emergency needs during the next two years.

It is clear that Wartime Housing is both inadequate to meet the present emergency or to supply the needs of veterans in the low income groups either in respect to houses for rent or purchase.

The rapid return and demobilization of our forces from overseas has already created a critical situation in respect to immediate shelter, which must become worse as larger numbers become demobilized each month. Many localities are faced with a complete lack of accommodation. This situation will inevitably result in serious trouble.

The Legion recommends that the government exercise its powers of control to meet this shelter emergency in the same manner that they organized for the war emergency. The Legion is not convinced that all possible buildings, suitable for emergency shelter, have been made available from private sources or from military, and other government establishments. The speeding up of the release of such establishments should be undertaken immediately, particularly when they are situated where they can be utilized for emergency shelter.

As a long-range program of veterans' housing, the Legion submits that the principles of the Veterans' Land Act should be applied to urban housing. The popularity of the small holdings feature of the Veterans' Land Act has given it the character of a rural housing scheme and although this probably was not the intention when the Act was conceived, it is quite obvious that a need can be met by the extension of the Act to cover urban housing. While the shortage of material and labour is seriously affecting the progress of Veterans' Land Act undertakings, nevertheless this condition will be overtaken as time goes on and there is no doubt that a large number of veterans desire to take advantage of its provisions if they can be extended to take in urban housing.

The Legion is chiefly concerned with low-cost housing. The provisions of the National Housing Act may be adequate to take care of the needs of men in certain income brackets, but thousands of veterans will be seeking homes the monthly cost of which, including taxes, will be within their capacity to pay. Among this group will be men who served in the two wars, in the Veterans' Guard or other units, either in Canada or overseas and who may eventually receive either a dual service pension or war veterans' allowance. The Legion recommends the building of suitable homes for veterans in these groups or with lower incomes, either in rural or urban areas.

Some steps have already been taken to build under the Veterans' Land Act within city limits under special arrangements with the civic authorities. Similar arrangements could quite appropriately be made to cover house building for veterans in other parts of the city.

There is also a case for extending the principle of The Veterans' Land Act to veterans' housing in more costly areas. While it is true that on a farm or a small holding the veteran has to earn his living directly from his purchase, nevertheless a home to a city worker is equally essential to promote his earning capacity. While the operator of a farm may be subject to the hazards of weather, change in markets and other difficulties, experience indicates that the urban worker suffers no less from business conditions over which he has no control which may result in periods of unemployment or intermittent employment which do not provide an adequate living. There seems to be no good reason, therefore, why one veteran should not receive similar benefits to the other in respect to the purchase of a home relating to his re-establishment.

The Legion, therefore, recommends that provision be made under The Veterans' Land Act to permit the purchase of housing up to a value of \$6,000 with similar conditions as contained in Section (9) of The Veterans' Land Act.

The release of men and women from the fighting services, together with the termination of employment in industry created for war purposes, is constantly aggravating the problem of normal employment. It is apparently correctly stated that many industries need employees and, on the other hand, that suitable accommodation is not available where work can be obtained. It is therefore evident that problems connected with housing and employment should be given joint consideration.

A concrete example is to be found in the construction industry where, in the larger centres, a great deal more activity would be possible except for the lack of building materials, particularly lumber. The shortage of lumber, however, cannot be overcome until sufficient men are available to go into the woods and provide logs, also to man the sawmills.

To correctly gauge this situation it must be realized that both conditions and requirements have materially changed. In the years preceding the outbreak of war men were available who were content to accept the conditions for single men in the camps of employing companies. To-day the majority of those requiring employment are married, but find that homes, even of the most modest type, are not available in areas where work can be obtained. It must be accepted that such men cannot, either from an economic or social point of view, work in one part of the country and live in another. There is the further condition of large numbers of men who were single prior to enlisting and now being married cannot return to their former employment unless married quarters are made available.

In the majority of cases men seeking employment would gladly accept work of a permanent nature outside the cities, provided their families were assured of reasonable housing and other amenities.

This is undoubtedly a condition handicapping, more than any other, the development of primary industry and the provision of full employment. The

solution must apparently be found by the government, which has accepted responsibility for the rehabilitation of ex-service personnel, in conjunction with employers who must of necessity extend the full measure of co-operation.

In sawmill logging, mining, and other industries of a comparative nature, it should be feasible to provide family accommodation, possibly of the pre-fabricated type, which could be moved when necessary. Accommodation of this kind would be rented to employees at reasonable rates and return a splendid dividend to the employers by ensuring stability of employment.

The people of Canada are worried over the shortage of labour and materials in the construction industry. The adequacy of housing and availability of employment are intimately connected in many areas and an enquiry into this aspect of the problem should also be made. The Legion recommends that the Government immediately undertake an inquiry to ascertain the reasons for this condition, and apply remedial measures forthwith.

SOLDIER SETTLEMENT ACT

The bill under consideration lowering the interest rate for soldier settlers under the Soldier Settlement Act of 1919 meets one of the recommendations of the soldier settlement report of the dominion convention of the Canadian Legion held in Vancouver in June, 1944, in that it proposes to lower the interest from 5% to 3½%.

A further proposal recommended by this committee relates to the granting of clear titles to aged settlers or to those who had reduced their indebtedness to 25% of the original purchase price. A great deal of discussion has been carried on during the past few years respecting soldier settlers of the last war and strong representations, from time to time, have been made from various sources to solve the problem of these veterans by granting them clear title to their farms. A debate occurred in the House of Commons recently on this subject and many members spoke in favour of the proposal. Representations by soldier settlers through the Legion have followed similar lines and the following resolution is submitted for the consideration of this Committee:—

Therefore be it resolved that, in order to be fair to our aging veterans and to bring the old and the new settlement acts more into line, the Dominion government be asked to readjust the debts of the 6,153 original soldier settlers who have not paid for their lands, such readjustment to take into consideration the difference in interest rates charged under the said acts; and that following such readjustment the government be further asked to cancel the debts of those original soldier settlers whose debt has been, or may hereafter be, reduced to 25% of the original purchase price or the reduced purchase price.

Clear Titles to Widows

The position of the widows of soldier settlers has long been a problem with the Canadian Legion. There is a strong feeling that a family left destitute should be permitted to remain on the farm. The present practice is to dispose of the farm and pay the widow any equity that may be due to the estate. Experience indicates that in a very large number of instances the amount available to the family is practically nil.

VETERANS' LAND ACT

Co-operative Purchasing

The Canadian Legion desires to make representations on behalf of a growing number of veterans who have been giving thought to co-operative purchasing of farm machinery and operating farms on a settlement basis. At the

present time such co-operative efforts are not permitted under The Veterans' Land Act and the Legion urges that the necessary provision be made.

In support of this proposal the following arguments are advanced:—

1. That the cost of farm machinery to soldier settlers would be reduced.
2. That voluntary co-operative efforts have long been a factor in Canadian rural life, particularly in the western provinces, from where these proposals mainly emanate.
3. That co-operative planning and action has now become a factor in Canadian rural economy and from past experience it is not necessarily an indication that veterans of this war would not make a success of their venture; rather experience in the past suggests that new approaches to settlement problems should be made.

Equitable Treatment to Men Owning Land

The present position of men who own their own farms who secure a loan under The Veterans' Land Act is that they not only do not receive their re-establishment credit but must pay their loan back in full, whereas men purchasing land secure a substantial rebate on the loan. We do not regard this as fair treatment for the veteran owning a piece of land and the Legion recommends that the Act be changed to enable settlers in this class to receive the same consideration in respect to their loans as men who purchase their farms from the board.

A further complaint made by these men is that, while they can borrow \$2,500 for stock and equipment, they are required to repay every penny thereof; whereas a soldier settler who purchases a farm costing not more than \$4,800 eventually receives his stock and equipment without being required to make repayment. On the face of it, the different treatment of these two classes of settlers is considered to be inequitable and the Legion urges that the man who borrows to farm land he already owns should be given the same treatment as the man who purchases a farm from the board.

WAR ASSETS

The Legion believes that certain war assets can be of great value in the rehabilitation of Canadian veterans. The experience of many veterans seeking various items that can be used in either establishing themselves in business or in the practice of a trade or profession has not been very encouraging since all war assets must be distributed through dealers representing the industry involved. Veterans either have no knowledge of what can be obtained through the War Assets Corporation or when anything useful to them can become available. Efforts are now being made to overcome this difficulty and to devise some means of channelizing war assets to veterans without interfering with the policy of distributing the material through trade channels. The veteran, however, feels that he should have direct access, and further that any material he can purchase for rehabilitation purposes should not be subject to a dealer's profit.

The Legion believes that, first of all, a policy should be established of utilizing surplus war materials in connection with the rehabilitation of veterans wherever it can be appropriately applied and that a suitable method be developed for making them available at reasonable prices.

The Legion recommends that some provision be made in the war assets legislation to permit the corporation to deal directly with the veteran in respect to commodities required for rehabilitation purposes and if, after a thorough investigation, this is not found to be practical, then the Legion urges that ex-service men be given a first-priority certificate which dealers shall be

required to honour and that a rebate of the difference between the corporation's selling price and the dealer's selling price be made to the veteran by the government and further, that steps be taken to publicize among veterans the availability of materials for rehabilitation purpose so that priorities can be made effective.

LAST POST

For quite a long time branches of the Legion have been complaining that the amount available for last post burials is too little to provide suitable burials. However, it is understood that the last post fund has already made representations to the government in this connection and the Legion desires to associate itself with these representations and to urge that sufficient funds be made available to the last post fund to enable them to pay \$100.00 or an equivalent amount to that paid by the Department of Veterans Affairs in providing for the burial of veterans who die while in the care of the department.

VETERANS' HOMES

Numerous representations have been made over a period of many years for the establishment of veterans' homes for the aged. In some parts of the Dominion houses have been donated for this purpose and very excellent establishments have thus been set up. Some experience therefore has now been gained in developments of this kind.

The Legion most strongly urges that immediate action be taken to establish homes in other parts of the Dominion where they would perform a most useful service. Fortunately some benevolent citizens have donated properties for this purpose. Otherwise, the type of case involved has been taken care of under domiciliary care in Departmental Hospitals, but an increase in the number of such cases can now be expected and it is not considered satisfactory to have old soldiers maintained in this manner among young veterans of this war. The time has certainly come when a definite policy should be established and definite provision made for the establishment of more veterans' homes in suitable surroundings.

RETROACTIVE PAYMENTS

From time to time certain benefits made available to veterans have been increased and the consequence is that all do not receive the same treatment. The clothing allowance is an example. In the early days of the war the clothing allowance made available to a veteran was \$35.00 if discharge took place during the winter months and \$17.00 if discharge took place in the summer months. Later the distinction between summer and winter was eliminated. In november, 1943, the clothing allowance was raised to \$65.00 for all ranks and in August, 1944, the amount was raised to \$100.00. Numbers of men who served overseas found themselves receiving the lower rate of clothing allowance, while others with less actual service, either in Canada or overseas, were receiving the higher rate.

OFFICERS' UNIFORM ALLOWANCE

The uniform allowance originally granted to officers was \$150.00. This was raised to \$250.00 two years ago. The long service men feel that a retro-active payment should have been made because necessary replacements were just as costly to them as the purchase of a first uniform was to the more recently enlisted officers. The unequal treatment as between the men who enlisted early in the war and those enlisted subsequent to the amending order is obvious.

Both clothing allowance and uniform allowance are paid from national defence funds and adjustment of accounts in both these instances could readily be made by the department if a retroactive order were issued.

The Legion recommends, therefore, that a retroactive adjustment in both these cases should be made.

LACK OF ACCOMMODATION FOR THE ADMINISTRATION OF VETERANS' AFFAIRS

From all parts of the country complaints are being received about inadequate accommodation being made available to the Department of Veterans Affairs and to the employment services through which veterans are placed in employment. It is realized that accommodation for governmental operations has been essential to carry out wartime activities. The needs of war have now decreased sharply, but there is little action being taken to make space available for peacetime requirements and particularly for rehabilitation administration.

Some drastic action should be taken immediately to properly house these government organizations serving veterans.

WAR VETERANS' ALLOWANCE ACT AND DUAL SERVICE PENSION

Of all measures benefiting returned men the War Veterans' Allowance Act, providing for unemployability and for premature old age, has been the most generally satisfactory piece of veteran legislation yet placed on the statute books.

At present the benefits of the War Veterans' Allowance Act are confined only to those who served in an actual theatre of war. The dual service pension, however, provides for a similar allowance to men who have served in both the first and second great wars, regardless of whether or not they had service in an actual theatre of war in either conflict.

We, therefore, have the anomaly of provision being made for men who did not serve outside Canada in either war, while thousands of men served overseas in the first great war are barred because service in England is not considered service in an actual theatre of war.

The Legion has already gone on record as favouring extension of the benefits of the War Veterans' Allowance Act to all ex-service men who served outside of Canada during the first great war thus bringing them into line with the recent extension of the benefits of the Act to veterans of the second great war who served outside the western hemisphere.

The Legion, therefore, recommends that the benefits of the War Veterans' Allowance Act be extended to all men of the first great war who served outside the western hemisphere, as is the case with men who served in the second great war.

Dual service pension is, frankly, an extension of war veterans' allowance to men who served in both wars, regardless of their theatre of service. However, a very considerable portion of men who served in the veterans' guard performed actual theatre of war service in the Imperial forces in the first great war. This service neither counts for the dual service pension nor for war veterans' allowance and, therefore, a large body of Canadian veterans of this war who were formerly members of the British forces are left without any provision for their retirement, at an age when it will be impossible for them to take advantage of many of the present rehabilitation measures.

EXTENSION OF WAR VETERANS' ALLOWANCE TO IMPERIAL EX-SERVICE MEN

The situation described in the foregoing paragraph leads naturally to the presentation of a case for the inclusion of Imperial veterans under the provisions

of the War Veterans' Allowance Act. At the Dominion convention of the Canadian Legion, held in Winnipeg in 1942, the following resolution was adopted:—

That we urge upon the dominion government the expediency and necessity of making prompt adequate provision for ex-service men of the Imperial forces by the extension of war veterans' allowance under the same conditions as to Canadian veterans, other than on the question of pre-war domicile, providing such Imperial ex-service men were resident in Canada on September 1, 1930, and have since resided in Canada.

For many years now the Canadian Legion has felt strongly that Imperial ex-service men with a long period of residence in Canada should be given the same consideration as Canadian ex-service men, in their old age. Submissions were made to parliamentary committees in 1941 and 1943. The War Veterans' Allowance Act, although confined to ex-service men, is social security legislation, providing, as it does, a subsistence allowance at an earlier age than old age pension. It is on this basis that there is a strong case for equal treatment of Imperial veterans, qualified by a reasonable period of residence in Canada, with their Canadian comrades. These men fought side by side with Canadians. They became good citizens of Canada, contributing their share to the public weal, paying taxes and bringing up families therein. They have a status in Canada which should now be fully recognized, as Canadian citizens who, during their war service, fought in the same armies, shared the same dangers and were subjected to the same strains as members of the C.E.F.

Had these Imperial ex-service men remained in the United Kingdom they would have been entitled to all the social legislation available there. The benefits of that social legislation are also available to a Canadian born veteran resident in the United Kingdom, who can even qualify for a non-contributory old age pension provided they have been resident in the United Kingdom for an aggregate period of not less than twelve years since attaining the age of fifty. On the other hand, foreign born residents must qualify by twenty years' residence.

There is, of course, no veteran legislation in Great Britain comparable to the war veterans' allowance, mainly because social legislation was in existence prior to the great war and was readily adaptable to meet post-war conditions. We feel that it would be in the nature of a reciprocating measure if the benefits of the War Veterans' Allowance Act should now be made available to Imperials in this country who have a reasonable period of residence. Such reciprocal arrangements are in existence between some dominions of the British Commonwealth. There are strong indications that many Canadians will remain in Great Britain, in which case the extension of war veterans' allowance as a reciprocal social security measure would be all the more appropriate. The Legion recommends to this committee the inclusion of Imperial ex-service men under the War Veterans' Allowance Act.

Summarizing the effect of the veterans' legislation to which we have just referred, the following are excluded from the benefit of the provisions:—

- (a) Men who have served in the Imperial forces in the South African War but were not domiciled in Canada prior to such service although they have lived in Canada up to 45 years.
- (b) Men who have served in the Imperial forces in the first great war but were not domiciled in Canada prior to such service although they have lived in Canada up to 25 years.
- (c) Men who served in a theatre of actual war in the Imperial forces during the first great war and have served in the Canadian forces in the present war within the western hemisphere.
- (d) Widows and dependent children of these men are also excluded from benefits.

A Higher Income Limit—W.V.A.

The War Veterans' Allowance Act, while it provides for a maximum allowance to be paid to veterans that can qualify, also permits additional income from casual earnings or from other sources. The maximum over-all income possible at present, including the allowance, is \$515 per annum for a single man, and \$880 per annum for a married man.

The Legion urges that the maximum income permissible under the Act, including casual earnings and income from other sources, be raised to the equivalent of a 100 per cent pension, namely, \$75 per month, single, and \$100 per month, married.

Children's Allowance—W.V.A.

The Legion urges that provision be made for the continuation of children's allowances beyond the age of 21 in cases of chronic invalidism.

POST-WAR REHABILITATION ACT

When this brief was being prepared a copy of the proposed Act putting into legislative form the provisions of the post-discharge re-establishment order, was not available. However, the Legion desires to make a few recommendations arising out of resolutions which have been received from its commands and branches:—

(1) University and Vocational Training:

The Legion desires to point out that any veteran who selects vocational or university training has the cost deducted from his re-establishment credit, and recommends that this training be made available without any charge against his re-establishment credit.

(2) University and Vocational Allowances

The existing scale of allowances for university or vocational training is inadequate, especially in large centres of population. The lack of proper provision for food and shelter and the cost of books and other educational supplies in many cases defeats the purpose of this legislation, and the Legion recommends an increase in allowances.

DECEASED VETERANS' DEPENDENTS BILL

This is something new. Experience in the post-war years following the first world war indicates that no group in Canada is called upon for greater sacrifice, or a sacrifice running through a longer period of years, than the children whose fathers have been killed or have died in the service or from conditions due to service. While it is true that a pension of \$60 per month is available to the widow and additional allowances for the children, nevertheless this is inadequate for the proper maintenance and development of the family if the children are to arrive at a self-supporting basis utilizing the full talents of which they may be possessed.

The Legion recommends that some of the benefits now available to veterans ought to be made available to children of veterans killed or who have died on service or from conditions due to service, and we would now make definite proposals to this committee for their consideration:—

- (1) That a deceased veterans' dependents bill be introduced into Parliament;
- (2) That this bill should contain the principle that equivalent benefits to those available to veterans be extended to the children of serving men whose death is due to service.

In support of this proposal we would point out that the economic status of a war orphan's mother is entirely changed as a result of the death of the father. Just as alternative rehabilitation benefits are made available to veterans so alternative benefits could be extended to the families according to their needs.

The Legion therefore submits the following proposals:—

- (a) It may well be that the needs of the family would be served by extension of the re-establishment credit, for the purpose of keeping the home together.
- (b) That educational and vocational training benefits for the children may be the benefit that will meet the immediate need.
- (c) The family may be so constituted that the benefits of the Veterans' Land Act would provide the best means of establishing them.
- (d) That free medical service be extended to the family in the same manner as it is now extended to pensioners, up to the age of self-support.

To illustrate the changed economic circumstances of a mother with one child when the father is killed, the following facts are given, based upon captain's pay and allowances:—

<i>Father Alive</i>		<i>Father Dead</i>	
Separation	\$50.00	Widow's pension	\$66.67
Child (1)	12.00	Child (1)	15.00
Assigned one-half pay	100.00		
	<hr/>		<hr/>
	\$162.00		\$81.67

The rate for first child has not been changed since September 1st, 1919. Family allowances have now been added.

Whereas a childless widow may make ends meet by working, the widow with one child or more must make an attempt for the sake of her child or children to keep up a home, and \$15 is certainly small assistance to that end.

CANTEEN FUNDS

The matter of the administration of canteen funds is one which should receive immediate attention. Following the war of 1914-18 a policy in regard to the distribution of these funds was not settled for some years and in the meantime there were no funds available for assistance in deserving cases. It is felt that this situation should not recur.

It will take time to work out a national policy in respect to all these funds but, in the meantime, it is necessary that steps should be taken to relieve immediate cases of distress. The Canadian Legion, therefore, recommends insofar as army funds now in the possession of the government are concerned:—

- (1) That a national board of trustees be immediately set up, which will be charged with the responsibility of administering the funds now available in Canada;
- (2) That it shall be the responsibility of this board to lay down the general lines upon which distribution of the funds shall be carried out;
- (3) That provincial boards be established in each province to handle cases in such province;
- (4) That instead of the national fund being allocated to provinces, as was done following the war of 1914-18, the whole fund be held by the national board, and that advances be made to the provincial boards from time to time, for distribution as required and when properly accounted for.

By this means the security of the fund can be safeguarded and losses, such as occurred in connection with the 1914-18 canteen funds, eliminated; and furthermore, funds can be made available where necessity exists. Conditions in Canada vary in different localities from time to time and it may quite easily happen that conditions in one part of the country may require much greater assistance than in others. For instance, British Columbia by reason of climatic conditions attracts large numbers of small pensioners, and the calls upon the canteen fund in British Columbia will unquestionably be greater, as experience has proved, than in other provinces. A hard and fast allocation of funds on the basis of population, or of enlistments and discharges, makes it impossible to meet the actual needs which may arise in any particular area.

RECIPROCAL ARRANGEMENTS WITH UNITED STATES

A large number of citizens of the United States who served in Canada's armed forces are now being discharged. They are entitled to all the post-war benefits available to their Canadian comrades under existing regulations, but can take full advantage of them only if they remain in Canada. The Legion has learned from experience that the inability to participate in Canadian benefits or in any benefits provided by their own government for men who served in the American forces, created a difficult problem after the first great war. With this in mind the Legion has consistently urged that some reciprocal arrangements should be made between the Canadian and United States governments to enable nationals of both countries who find themselves barred because of residence to secure the post-war benefits to which they would otherwise be entitled.

This matter will be made the subject of a separate submission by members of the Canadian Legion from the United States on Monday next.

APPENDIX "A"

REHABILITATION OF CANADA'S FIGHTING MEN

A Brief submitted on July 2nd, 1943, to the House of Commons Committee on Post-War Reconstruction and Re-establishment by The Canadian Legion

INTRODUCTION

In preparing this brief on reconstruction and re-establishment the Canadian Legion has endeavoured to consider the subjects from the point of view of the men and women now serving in the armed forces, and what is likely to happen to them, both in the immediate post-discharge period and in regard to the future that will be in store for them as a result of the measures to be taken. We recognize that their rehabilitation must proceed concurrently with the wider problem of re-establishment of all who are to-day solely engaged in wartime industrial activity.

The men and women know that their rehabilitation into civil life will have to occur during the period of reconstruction. Reconstruction, therefore, embraces for them any legitimate activity for which they are or can be fitted that will provide a living and a reasonable opportunity for advancement and permanency. Re-establishment will mean to them continuous employment with adequate remuneration, without regimentation or destruction of personal initiative, whether it be as an employee or as a proprietor of a business or as a professional man or as an executive.

For the most part our fighting men will still be young men after discharge. The sins of the past in permitting mass unemployment to occur, and the sometimes almost inhuman methods of dealing with it, will remain to them merely a bad dream if our efforts at reconstruction succeed. But if they fail, they will know that they have fought in vain, and so will we.

Before we can have proper reconstruction measures working effectively we must first of all reconstruct our own minds. The years of depression left with us a "relief mentality" when thinking in terms of human welfare. But when dealing with the prosecution of the war, we are generosity itself. In this year's Victory Loan the Finance Minister asked for one billion one hundred million dollars. He got nearly two hundred and four million dollars more than he asked for, and no one was hurt in the giving. But, if the relief mentality persists, let Mr. Ilsley or anybody else try to raise this amount of money for work which will be repaid in dividends of human happiness and comfort, and thousands of persons will feel hurt, at least mentally, for fear that their bank accounts will suffer.

Canada can never survive, nor indeed will her people tolerate, another period of depression such as she experienced before the war. The causes of depression, now commonly believed to be due largely to the ignorance, short-sighted selfishness and stupidity of human beings, must be ruthlessly destroyed, or the men and women who have served both in our armed forces and in our war industries, and their friends, will seek to change our economic system, and we believe the vast majority of their fellow-citizens will help them change it.

Moral Issues

The issues of this war have often been presented as a struggle between right and wrong, freedom and slavery, good living and bad living. These can be translated during peacetime here in Canada into terms of plenty or want,

employment or unemployment, a high standard of living or a low standard of living, etc.

There is a moral obligation to members of our armed forces upon their return to civil life. Immediately following the outbreak of war, representations were made by The Legion to the Government, one of which, having to do with this obligation, laid down the following principle:—

That adequate steps be taken to ensure that those who, volunteer for service shall in no way be penalized on their return to civil life and, so far as possible, shall be assured of that place in civil life which they might reasonably be assumed to have obtained had they not enlisted.

We think this committee will agree that it is a moral right that men and women who have served their country in the armed forces should, as far as possible, be re-established in society in the manner suggested.

Four Freedoms

Ever since the enunciation of the "Four Freedoms" by Mr. Churchill and President Roosevelt—namely, freedom of speech, freedom of religion, freedom from want, and freedom from fear—men have been consciously or unconsciously endeavouring to realize just what these words mean in practical terms, as applied to the lives of individuals, to the community, to the country and to the world. Many discussions are going on to-day in military camps, both in Canada and overseas, on different aspects and phases of the meaning of these "Four Freedoms." They epitomize for many just what we are fighting for. Men will undoubtedly return from this war with a high expectancy of a decent standard of living because the mere enunciation and contemplation of the "Four Freedoms" as a design for peace and well-being has a tendency to raise hopeful speculation about the future.

Plans Ready or in Operation Before Demobilization

Many of us recall, during the closing days of the last war, the promises made that Canada was to be a country "fit for heroes to live in." We must avoid this time the disillusionment that followed the demobilization of our fighting men in 1918-19. The country was not prepared to receive them, and notwithstanding the desire to do well by them, a great deal of hardship was suffered because of lack of adequate preparation. This time there should be well co-ordinated plans ready, worked out in detail, with federal, provincial and municipal governments co-operating, insofar as possible, through trial and test. This necessarily predicates financial assistance on the part of federal authority to provinces and municipalities.

Federal-Provincial Relations

This brings us to the consideration of an important aspect of reconstruction, namely, the unity of Canada, particularly as it relates to the successful operation of national reconstruction plans. In this connection it would be as well to present to this committee the following views expressed by The Legion before the Royal Commission on Dominion-Provincial Relations, in May, 1938:—

It should be recognized that, since the passing of the British North America Act, the whole social system has undergone almost revolutionary changes for which our present rigid Constitution is ill adapted. Some elasticity must be provided and consideration given to the fact that the process of change is by no means complete and that a strong central Government, which we contemplate, must be in a position to deal with these processes. If we are a nation, then all our nationals are entitled to equal treatment. This can only be ensured by national action; and you cannot

have a united and happy people if rich and prosperous areas are accorded privileges which are denied less fortunate areas because the local government is incapable of meeting the need. At present the Canadian economy is one, and all the important tools of economic policy are under federal jurisdiction, e.g., the tariff and external relations, trade agreements, internal peace, banking, railways, etc., and yet all the social legislation made necessary as a consequence of economic development is under provincial jurisdiction. In other words, the central authority determines, as far as possible, the economic trend of our national life, but the resulting domestic problems are the responsibility of another authority.

Certainly, men returning from this war will have a right to expect that the problems of Federal-Provincial relations, as they affect national schemes for reconstruction, will have been solved. It should be possible to secure that harmony of aim and practice throughout Canada which will produce conditions for the acceptance and successful operation of national rehabilitation measures, coupled, of course, with the assumption by the federal government of a part of the financial burden devolving upon provincial or municipal governments in the carrying out of purely provincial or municipal schemes of reconstruction, as distinct from those of a national character.

A Post-War Measures Act

We believe that the recommendations of the Sirois Report should be re-examined in the light of conditions as they will exist after the war, and that the principal recommendations of that report, as they may be modified in the light of such conditions, should be implemented.

In view of the difficulties which might occur in an agreement on a long-term basis for an amendment to the British North America Act, it is suggested that agreement on essentials, looking to rehabilitation, be achieved with the provinces forthwith, and that the principles of this agreement be embodied in an act which might be known as "The Post-War Measures Act," the application of such an act to be limited to a period of years—possibly five years—during which measures of control and measures for rehabilitation will necessarily have to be under a central authority. This will require agreement by the provinces, and we suggest that steps looking to this end should be taken immediately. The experience gained during the period covered by this enactment would undoubtedly prove beneficial to a long-term settlement of the many controversial problems affecting the Dominion and its provinces.

Political and Economical Problems

The Legion is not among those who think we must win the war first before planning for peace. We nearly lost this war because we were unprepared for it, and we do not intend to lose the peace for the same reason. We are aware that studies are being made by various committees set up by the Government and that evidence of their work has already been submitted to this committee. But it is now time for reconstruction planning and practice to begin.

To win the war and to force complete capitulation of the enemy are essential to our reconstruction program. But Canada can take some preliminary steps in anticipation of complete victory to enter discussions with representatives of other allied countries, and a great deal of groundwork can be laid in the formulation of foreign and domestic policies suitable to Canadian interests. The International Food Conference illustrates this point. The spirit and idea of selfish nationalism and self-sufficiency should form no part in our national or international relations.

In our opinion there can be no return to the system prevailing during depression years, and a type of economy must be developed which, while providing for individual liberty, ensures employment and a decent standard of

living for all, including those who through no fault of their own are physically unable to accept employment. To this end we should be prepared to accept whatever type of controls may be necessary, either through the retention of those now in effect or through new ones which must be created to cope with post-war conditions.

Freedom and control are not incompatible when control is exercised to prevent or restrain harmful actions, or conditions harmful to the public generally. Without restraining laws there would be little or no personal or political liberty. Similarly, without restraint there can be no economic freedom; that is, freedom to consume as well as to produce. Control is exercised in the maintenance of law and order and in the prevention of crime. It is exercised in the direction of industry. Wise control of the nation's business is now necessary if unemployment and want are to be avoided. This is a responsibility of government.

World Trade

This war has demonstrated that we have been able to keep our people employed and, within the limit of the basic supplies available, fed and clothed during a period of stress. We have, moreover, supplied our allies with the products of our own soil and resources. This provision, both for ourselves and others must, in view of the destruction and conditions throughout the rest of the world, continue for some considerable time. It may be that we shall have to cast our bread upon the waters, but the lesson is that, through the brain and brawn of our workers, we have been able to do all this and yet maintain adequate living conditions in this country. Provided jobs are furnished, the same condition can hold good in the post-war period while world trade is in process of rebuilding.

Freedom From Want in Terms of Food, Shelter and Fuel

We do not subscribe to the view that freedom from want and freedom from fear cannot be realized until we establish world markets. It is our belief that this country can produce all the food it needs to maintain the health of its people, and the raw materials to provide them with shelter and fuel. These are the three basic needs in providing adequate subsistence. Whatever external conditions may be, The Legion submits that the Government can evolve a food policy to provide abundant food for all, a housing policy to see that the people have well-designed houses, and a fuel policy for an abundant supply of fuel, at prices and rents that make them available to all. We do not want a return of the conditions after the last war when money was available for building theatres and places of amusement but not for dwellings. Industry is a means to an end. Its function is to produce in necessary quantities the things we use and the things we eat. We submit, therefore, that the supplying of primary needs must have an important place in our reconstruction program. We are not suggesting that export markets are unnecessary to our prosperity, but we do assert that, regardless of the export market, the primary needs of our people can be met, wholly or to a large extent, from our own resources, by our own efforts.

Markets For Our Products

Measures must be taken to explore and cultivate both domestic and foreign markets for our products. In foreign trade our aim should be to deal with countries that can supply things we require in our economy to satisfy our basic needs, and which we cannot or do not produce ourselves, or which we cannot or do not produce economically.

In this connection there should be an extension of our Trade Commissioner Service, particularly in countries of backward development but possessing large population and high potential purchasing power for modern products of industry. There should be developed the freest possible intercourse between Canada and

other nations in the matter, among other things, of trade and commerce, subject always to the overriding proviso that something approaching equality in standards of living in these various countries is attained.

Standard of Living

The Legion believes that the peace will not have been won for Canadians unless it is possible to keep employed all who are able and willing to work, with remuneration that will provide a standard of living well above the subsistence level. The moral issues involved in wage rates must be faced as well as the economic issues. We are convinced that unless the minimum wage is linked to the cost-of-living index and rigidly observed there will be many people who will fall into a condition of semi-starvation—as was the situation in some parts of Canada in pre-war days—not because there is insufficient of the necessities in existence in Canada but because a moral issue has not been faced. We believe that the people of Canada will never again tolerate conditions of poverty and unemployment such as existed during the depression years 1930-39. The welfare of the people of this country must be considered in the formulation of industrial policy. We believe that the State should see to it that all unemployable and incapacitated citizens have adequate subsistence; that those who are employed receive something additional to adequate subsistence for the work they perform; and that this obligation should be imposed upon all employers in the country. The imposition of employment conditions of semi-starvation are not far removed from slavery.

Sacrifice Necessary For Peace As Well As For War

If sacrifice of special privileges or prerogatives, or even money in the form of taxes, is demanded of citizens of this country to bring about the necessary changes, our fighting men will expect that such sacrifice will be imposed and undertaken willingly for the common good. The Legion believes, and has previously expressed the view, that reconstruction and rehabilitation should be treated as part of the war effort and that the necessary funds should be raised through taxation as they are now being raised in large part to carry on the war effort.

We regard the working out of the relationship between industry and the Government, and the controls to be maintained during the period of transition, and, indeed, until the task of reconstruction and rehabilitation can be considered to have been completed, to be of the utmost importance. What happened after the last war must not happen again. We are reminded of a quotation from Mr. Churchill's book, "World Crisis." Describing the sudden reversion from war-time open-handedness to peace-time parsimony that came over our financial system from 11 o'clock on November 11, 1918, Mr. Churchill said this:—

A requisition, for instance, for half-a-million houses would not have seemed more difficult to comply with than those we were already in process of executing for 100,000 aeroplanes, or 20,000 guns, or two million tons of explosives. But a new set of conditions began to rule from 11 o'clock onwards. The money cost, which had never been considered by us to be a factor capable of limiting the supply of the armies, asserted a claim to priority from the moment the fighting stopped.

Finance The Servant and Not The Master

delegates endorsed the following clause in the report of the 1941 Malvern Con-

At the 1942 Dominion Convention of The Legion held in Winnipeg, the reference, of which the Archbishop of Canterbury, Dr. Temple, was chairman:—

That the monetary system be so administered that what the community can produce is made available to the members of the community, the satisfaction of human needs being accepted as the only true end of production.

The conception that wealth does not depend upon money but on the brain and muscles of the nation's people and on their ability to develop the country's natural resources, on their manufacturing skills and on the farmers' ability to produce food, should be given practical expression. The abundance which this ability is able to provide, when fully occupied, and the distribution of what it produces are what count to-day. To maintain financial and industrial principles and practices which in ever-recurring cycles deny the means of livelihood to large numbers of the population, and a reasonable share of their own production in goods and services to even larger numbers, is to invite revolution.

The Legion has no pet theories on the question of finance. It does maintain, however, that in a democratic country the people have a right to tell their legislators the results they want to expect that a determined effort will be made to attain them. The people of Canada generally are not prepared to accept a postponement of social progress because they are told that the country cannot afford it.

Whatever the faults of our financial system, a great war effort has been made. Alone of the Dominions, Canada had donated during the last two years two billion (\$2,000,000,000.00) dollars to the cause of the United Nations. This in addition to building a great air force, a powerful navy and army, and also supplying huge quantities of weapons and munitions for our own and our allies' use. This achievement has been possible because almost every citizen is working, saving and contributing. Unless the Government and those who are responsible for industrial and economic policies make it possible for all citizens to continue working, any post-war financial or fiscal policy will fail. Indeed, the danger of the post-war period is in the feeling that we can all relax and that somehow, by some financial wizardry, we can achieve peaceful plenty. The way to overcome this is to plan ahead and tell the people what lies before them and keep them all working.

The opinion is now generally held that if full employment is to be effected during the immediate post-war period there must be expenditures from public funds for public works on a large scale to supplement the efforts of industry. This may conceivably leave our budgets unbalanced. A similar situation will undoubtedly occur in many other countries with which we must have relations if we are to develop foreign trade, and it is our belief that notwithstanding this, post-war agreements can be reached with these countries so that they do not lose confidence in our currency and stability or we in theirs.

The plans now being proposed by Britain and the United States to stabilize international exchange are no doubt receiving the consideration of our Government, particularly the proposal to introduce a dual currency—one for external use and the other for internal use. Whatever the means adopted to deal with international economic relations, we are convinced that it should be possible to keep the people of this country so occupied with our own resources that they can supply at least the majority of their own basic needs for subsistence. Having brought the where-withal into being, a way must be found to distribute it to every citizen, sufficient for his needs, either through work and wages, or a social security plan, or both.

Forward Planning To Convert War Industry

The expansion of war industry with a consequent increase in industrial workers, presents a problem that necessitates forward planning if millions of dollars in plants and equipment are to be saved from the scrap heap, and

thousands of workers now engaged in these plants are to be retained in employment. It is recommended by The Legion that immediate steps should be taken to survey all industrial plants engaged in war industry with a view to ascertaining, those which might be converted into peace-time manufacturing, and that definite information be secured as to the number of persons that can be employed in such plants in each locality.

We believe the change over from a wartime to a peacetime basis should be gradual, especially if one of our chief enemies continues fighting after the other has capitulated. Rather than precipitate too great a dislocation of our industrial population immediately following the cessation of hostilities, some war industries should be continued for a time. The stocks of munitions so produced will undoubtedly be found of service in the post-war policing of the world and in the sporadic outbreaks which will probably continue for some time after the war.

The commercial development of processes and products introduced during the war should be the object of immediate research and organization. Private industry should be subsidized, if necessary, to begin operations.

Retarded Demobilization

The rehabilitation of men being discharged while the war is in progress presents few difficulties because they are almost immediately absorbed into war industry. The situation, however, will be very much different at the termination of hostilities and when demobilization begins. The Legion understands very well from its own experience the nature of the difficulties which will confront the Government at such a time, not the least of which will be the impatience of the fighting men to return home.

Nevertheless, at the last Dominion Convention another principle was laid down that men should not be discharged from the armed forces except to gainful employment. We believe that demobilization of the armed forces should be as carefully planned as mobilization. Certainly, men should not be released from service to communities that are ill-prepared to receive them. We believe also that all discharged men should remain a federal responsibility for a definite period of readjustment after discharge. The present Post-Discharge Re-establishment Order establishes this period at one year. We feel, however, that this time-limit may have to be extended if general conditions should make it impossible for discharged men to become re-established in civil life in that time.

We are aware that retarded demobilization has been under consideration by the Departmental Committee on Demobilization and Rehabilitation. If this committee has made any recommendations we would earnestly ask the Government to make them public as soon as possible. It is to be expected that the troops will wish to return home as soon as possible after hostilities have ceased. Definite steps should be taken to deal with the understandable impatience that will undoubtedly be expressed and to avoid the unhappy conditions that existed in some of the Canadian camps in England at the end of the last War. Demobilization plans should be ready and thoroughly explained so that there will be some understanding of the problems involved.

The Position of Discharged Men

Fighting men when they enlist are cut entirely adrift from civil occupations and their interest in economic and social problems ceases to be one of political application and becomes almost entirely academic. This interest is nevertheless keen and active. They cannot share in the discussions or have a hand in deciding economic issues in office, factory or farm. When they return they will have lost practical touch with civil life. Furthermore, men who are now serving overseas will be the last to again enter civilian life, and their opportunities for placement and advancement will be that much more handicapped. Fighting men know this

and they rely upon us not only to lay firm foundations for reconstruction, but also to see that they are not left at a disadvantage when opportunities for re-establishment are presented.

The Legion desires, therefore, to make the point that any plans of reconstruction that do not provide for preferential treatment of the fighting men will be regarded as unjust and will bring bitter reaction.

Preference in Employment

We desire to put forward the proposal that provision shall be made for a general preference to discharged men in all employment, whether under private enterprise or under the federal, provincial or municipal governments throughout the country.

There are at present approximately 750,000 men and women in the Canadian forces. It is our contention that any of these men and women who seek employment, and especially those who have served overseas or who have been out of civilian life for a lengthy period, should be given special consideration by all employers. While we are sure that employers generally will not need to be reminded of their individual and collective debt to those who have risked their lives in their country's service, nevertheless we believe that some definite method will have to be laid down to prevent any haphazard hit-and-miss application of a preference which we are sure everyone will wish to extend. At the Dominion Convention of The Canadian Legion last year the following principle was laid down:—

In order that the ex-Service man may receive the benefits to which his service to the country entitles him, your committee strongly recommend that this Convention go on record demanding an over-all preference in the matter of employment for all honourably discharged ex-Service men and women, provided always that the individual is qualified to fill the position.

The Legion realizes that there are many factors involved in the determination of the manner in which this preference shall be applied. Whatever method is adopted it certainly will require the goodwill of all concerned, and perhaps sacrifices on the part of some. We recognize that every employer desires to obtain or retain employees who have exceptional skill, but it is our belief that conflicts between the principle of preference and the principle of merit will not frequently occur because, even if all ex-Service men are absorbed into industry, there should still be plenty of positions for others if the country's hopes for full employment are fulfilled.

Our objective, of course, is to secure employment for all discharged men as soon as possible after the cessation of hostilities, and to maintain them therein. At the moment two methods have been under discussion. The first is to require government employment offices throughout the country to furnish to employers the names of any qualified ex-Service men available whenever a call for help is made. This measure would be supplemented by the efforts of the Citizens' Committees already set up throughout Canada, which will endeavour to persuade employers voluntary to take ex-Service men in preference to others.

The other method of giving ex-Service men preferential treatment is to establish a statutory quota, requiring every employer to maintain in employment a certain percentage of ex-Service men.

A third method, which has not been thoroughly explored, is the setting up of a placement service for veterans, separate from that provided by the employment offices of the Unemployment Insurance Commission.

Whatever method is adopted for applying an over-all preference, The Legion urges that steps be taken to see that the fullest possible use is made of the Government employment offices and that no resort is made to political patronage. Government contractors, both federal and provincial, and Government departments, for certain types of employment, should be required by law to fill all

vacancies through the U.I.C. employment offices, and preference should be given to discharged men and women of this and the last war. Steps should be taken immediately to secure the co-operation of provincial governments towards this end.

Social Security in Immediate Post-Discharge Period

For the majority of ex-Service men rehabilitation and social security will mean a good job at good pay, with adequate provision for their future. For others who have suffered because of injury or disease, it will mean compensation in the form of a pension, but many of these will also be fit to take full employment at some task suited to them. Others again, who become totally unemployable because of their war injuries, must be adequately taken care of at rates which will provide more than subsistence for themselves and their families in order that they shall not be denied those things which, while not absolutely necessary, help to make life worth living in our time. There are also the bereaved, the widows and orphans, who must be taken care of in a similar manner in order to ensure that some of the advantages may be available to them which would have been theirs had the breadwinner not sacrificed his life for his country.

The Federal Government has already brought in legislation and regulations on behalf of ex-Service men and women of this war which may or may not measure up to the hoped for standard of living for all after the war. It has practically assumed the full responsibility for social security of all discharged persons for a period subsequent to discharge. After this period there will be a large number of discharged men who in the future must look to civilian measures for social security. The Legion, therefore, is keenly interested in a general program of social security and desires to see action in this direction taken as soon as possible. The Legion's views in respect to social security measures will be included in a brief to be presented to the House of Commons Committee on Social Security, and therefore will not be dealt with to any large extent here.

Civil Service

The statutory preference to ex-Service men has already been extended to the discharged men of this war. Approximately 35,000 veterans of the last war have been appointed to either permanent, seasonal or temporary positions in the federal civil service. Many thousands of them have found permanent re-establishment therein. On the whole this preference has been a good thing for the Service, first of all because none could be appointed without being fully qualified; and, secondly, because ex-Service men as a result of their war experiences are, for the most part, well-disciplined, have a keen sense of responsibility and are reliable. The men of the armed forces today should prove even better material for re-establishment in the civil service because, on the whole, they are better educated, and modern warfare has developed abilities which were not possible during the last war.

Placement of Severely Handicapped

The placement of severely handicapped ex-Service men is a special problem which should receive special treatment, and it is our opinion that a great deal more can be accomplished towards the scientific placement of such individuals in both the civil service and industry. Steps are being taken by the Government to train such men for suitable employment, but this work will remain unfinished unless suitable employment is made available.

Vocational Training

The provisions made by the Government to fit discharged men to re-enter civil life are both practical and all-embracing. It is essential, however, to prepare plans *now* in order that adequate facilities shall be available throughout

the country for vocational training when demobilization takes place. This involves close co-operation between the federal and provincial governments and other bodies, so that facilities now available may be fully utilized and others provided. Particular reference is made to the buildings and facilities now in use by the armed forces which can be converted and used for post-war vocational training. A survey of these should be undertaken at the earliest possible moment and plans made so that they can come into operation without delay as the need arises. Expensive duplication of effort must be avoided. Provision should also be made so that discharged men are given preference in vocational training in order to fit them as quickly as possible after demobilization for civil employment.

Education

The result of this war will undoubtedly show that it is the best educated nations, with the fewest inhibitions and prejudices, which will have emerged victorious.

Education has hitherto been considered entirely a matter for provincial development. Experience has clearly shown that some co-ordination of effort, standards and practice is necessary. A great deal of useful work has already been done by our Canadian Legion Educational Services in the setting up of an educational system, parts of which have been adopted by the armed forces, and other parts of which are available to those in the forces who desire them. The basis of this system, and the tests and examinations used in connection therewith, have been mutually accepted by the educational authorities in every province and Newfoundland, and by the universities. This is the first time in the history of Canada that an agreement of this nature has been obtained, and great credit is due to Lieut.-Colonel the Hon. Wilfrid Bovey, O.B.E., L.L.B., LL.D., D.Litt., F.R.S.C., chairman of Canadian Legion Educational Services, and those educationists who have worked so untiringly and successfully with him to place this educational system at the disposal of our serving men and women.

This system can and should be continued, expanded and extended to both ex-Service men and women, and to civilians when the war is over. Thousands of young men and women will need re-education for return to civil life. This is surely a federal responsibility. Immediate planning for post-war education will, therefore, be necessary.

The present educational system in Canada discriminates against the rural population and those living at a distance from centres of education—particularly of higher education—already established. The mere provision of educational facilities is not sufficient unless there is, in addition, a subsidization to those living at a distance, in order to permit of their taking advantage of it.

In general, we feel that a great deal can and must be done by the Dominion Government in the field of education to create a real national spirit and unity in this country, and to this end jurisdictional difficulties must be removed.

Nutrition and Physical Fitness

Disclosures regarding the general fitness of Canadians, resulting from medical examinations for enrolment in the armed forces, as very disturbing. When fifty per cent of the men offering themselves for service have had to be rejected—35 per cent for physical disability and 15 per cent for “emotional instability”—the only conclusion that can be reached is that Canada’s health problem is serious. That much of the trouble is due to lack of nutrition has already been demonstrated to this committee and it is not necessary for us to elaborate here. That physical fitness is to some extent dependent upon adequate subsistence is also a fact that needs no further elaboration, and we can only add that the Government and the people of this country must now face this issue as one of the basic needs of our reconstruction program, and action on a permanent basis should be taken immediately to deal with the problem, even if considerable

sums of money are involved. In this connection, The Legion regards as sinful waste the destruction of surplus foodstuffs produced in any part of the country. We insist that in future provision be made through proper methods for the distribution of any and all such surplus foodstuffs.

Maintenance of Canadian Armed Forces

As one avenue for employment The Legion believes that Canada should maintain a navy, army and air force of some considerable strength after hostilities cease. This war has taught us the lesson that right must have might to support it. Therefore, there should be no return to the state of disarmament that existed in Canada at the outbreak of the present war.

We believe that war industry should not be completely dismantled, but that a policy should be adopted of subsidizing shadow factories for the potential development of new military inventions.

Labour Relations

The Legion urges the development of a definite Dominion labour policy and the firm application thereof. This policy should be designed to encourage good relations between capital and labour. It should provide for greater representation by labour on Government policy-forming and administrative bodies which can affect their interests. The Legion believes that there should be provision for compulsory arbitration of industrial disputes, the finding of which should be enforceable. The right of workers to full freedom of association in Unions of their own selection should be recognized by law.

Taxation

While advocating the continuance of taxation for re-establishment purposes, there should be gradual relaxation to permit of the individual taxpayer and companies developing their holdings out of earnings. This is the basis on which this country has been built up. We believe the maintenance of private enterprise and initiative, the granting of an incentive to individual and company effort, and the utilization of the profit motive is possible under a properly designed taxation program. This program should be flexible and should be utilized to eliminate extremes in business cycles.

We strongly urge the establishment of one taxing authority for the Dominion, with distribution to the provinces on a basis to be mutually arranged. This has particular reference to income tax, succession duties and sales tax. Various nuisance taxes, however, should be eliminated.

The war has demonstrated that the people of Canada will cheerfully pay taxes so long as they know they are receiving value for the outlay in terms of their own and their country's well-being.

Agriculture—The Veterans' Land Act

Agriculture is a basic industry in Canada. Farm products are a world-wide necessity. Furthermore, we will be obliged to assist in feeding the peoples of the countries ravaged by war. Just what effect this will have on the economic position of agriculture in Canada we are not competent to say, but we do know that the man who produces the foodstuffs must be adequately paid for them, and this is a problem for Government to determine.

Special provision has been made for veterans to become rehabilitated in agriculture. The condition of the industry will be an important factor in the success of those who undertake farming under the Veterans' Land Act.

We urge the Government to embark immediately upon the purchase of suitable lands for veterans so as to forestall any sudden demands for land which will tend to raise prices. Settlement on poor land must be avoided.

The possibilities of veterans acquiring improved properties should be explored. There are owners who through age or illness are unable to continue operations. In such cases the Government might well consider granting the owners an annuity on a generous basis but having relation to the value of the property.

We would also suggest that, in the clearing of land, use be made of the tremendous accumulation of construction machinery assembled during the war for the armed forces.

The Legion would also urge an examination into the possibilities of the development of co-operative effort among farm communities, both in respect to the purchase and use of farm machinery and in marketing.

We believe that the actual process of settlement should not be precipitate but on a gradual basis, spread over a period of years, which will ensure orderly acquisition of suitable lands at fair and reasonable prices and the avoidance of misfits among those who desire to avail themselves of the provisions of the Act. The actual volume of settlement in any year should be rationally controlled if we are to get the best permanent results from this scheme.

In any event, the rate at which veterans can be placed on the land will depend to some considerable degree upon the possibilities of obtaining essential farm machinery, stock and construction materials. The period of chaos and necessary re-establishment of Europe on the termination of the war will undoubtedly draw heavily upon our production of farm implements and other agricultural requirements. Preparation to meet the need should begin as soon as possible.

This gradual settlement would necessarily call for some extension of the existing rehabilitation benefits which are not presently available beyond a fixed period of 18 months following discharge from the service. It is suggested therefore that the right of the ex-service man to that feature of the rehabilitation scheme which provides for assistance during the time required for re-establishment in a new venture should remain open to those seeking establishment through the provisions of the Veterans' Land Act and should commence at the date of their actual establishment on the land.

Where virgin or undeveloped land is acquired by the Government for the purpose of settlement, the opportunity should be taken to utilize the services and labour of potential settlers in clearing such land and otherwise preparing it for immediate cultivation and settlement before any attempt is made to settle any veterans on it.

Lands suitable for agriculture in Canada are limited. A survey and classification of all land should be undertaken with a view to indicating its economic possibilities. For example, in the province of Manitoba a successful scheme for the flooding of waste areas has provided facilities for the development of the fur trade. No doubt other uses can be found for land unsuited for agriculture. Veterans finding sources of livelihood from such land will still be eligible for consideration under the Veterans' Land Act.

Diversification of Industry

The Legion urges that the Federal Government should take steps in conjunction with provincial and municipal authorities, towards the diversification of industry throughout Canada. Such steps are essential to the maintenance of population in the western provinces, where the establishment of light industries in rural agricultural areas would provide employment to sons and daughters in farming communities who otherwise would be compelled to move elsewhere to secure a livelihood.

Development of the use of agricultural products in the manufacture of plastics and other substances—made possible as a result of modern research—would give great impetus to progress in the Western Provinces and, indeed, in other rural areas throughout Canada.

Rural Road Building and Public Utilities

In the rural districts of our country great scope exists for improvement in the general standard of living of those engaged in agriculture. For example, building of all-weather roads, extension of electric power, light and telephone systems, and rejuvenation of agricultural dwellings would result in benefits that would be twofold. First, it would make agriculture attractive, not only to those now residing in rural areas, but also to those who might desire to settle on the land after the war. Second, it would create employment in order to provide the goods and materials that such a program would require.

Reforestation and Soil Conservation

The possibilities of the rehabilitation of ex-Service men through conservation has been brought to public attention by conservationists in co-operation with The Canadian Legion. An experimental survey has been conducted jointly by the Federal Government and the Ontario Government of the Gananaska watershed, the results of which indicate both the necessity for a conservation program and its possibilities as a rehabilitation measure. The Legion urges that the Federal Government, in conjunction with provincial authorities, conduct similar surveys throughout Canada, upon the basis of which a national conservation program can be developed. These undertakings should not be conducted on the basis of relief work but rather as operations necessary for the welfare of the country and its people, and paying adequate rates of wages.

Similar action should be taken in respect to the conservation and rehabilitation of soil. There is abundant evidence to show that our agricultural lands have suffered greatly because of the lack of any satisfactory policy. The productivity of the soil is a natural asset and lands should not be permitted to go to waste. In this connection we would urge that the Government take adequate steps to ensure the production and sale at reasonable prices of suitable fertilizers, which at present are beyond the reach of most farmers.

Great waste also exists in our forests. A national program of reforestation is necessary. What work is now being undertaken is inadequate. In this field the Government can properly seek the co-operation of industries dependent upon our forests for their raw materials.

Moreover, the question of clearance of forest areas with a view to the removal of the fire hazard and the utilization of the forest material so obtained should also be fully explored. With the development of the chemical industry and knowledge of the multifarious uses of wood gained during the war, it is believed that work of this nature might lead to a proper and efficient use of our magnificent forest resources, the development of a powerful industry and the saving for use of future generations of vast tracts of valuable forest wealth.

Mining

There should be an extension of the geological survey, coupled with a policy of encouraging prospecting. The latter offers a means of re-establishment for veterans if training facilities are also provided.

We believe the Government should co-operate with financial and mining interests in the acquisition of capital for mining ventures. Furthermore, there should be more adequate but sympathetic supervision, and if necessary some measure of control by Governments of companies seeking funds from or holding funds of the public.

Fishing

The waters within and adjoining the boundaries of our country have been a lucrative source of wealth to Canada, although at times the fishing industry has suffered some severe depressions resulting in great hardships to those engaged in it. Nevertheless, it is possible that many men now serving in our expanding

Navy will desire to establish or re-establish themselves in the fishing industry and, together with small holdings acquired under the provisions of The Veterans' Land Act, they will be in a position to earn a good livelihood if fish can be marketed at an economic price for the primary producer.

Fishing is another of our basic industries which, due to economic conditions, has often provided meagre returns to those engaged in it. It is our opinion that steps should be taken to ensure adequate returns to fishermen, even to the extent of subsidizing the industry when occasion warrants.

Immigration

It is The Legion's opinion that a plan of immigration should now be in the making which would ensure settlement in this country of that type of citizen who can be readily assimilated after the war. Many men now serving in the British forces and employed in British war industries may desire to settle in Canada after the war. This type of citizen should receive prior consideration. The Legion regards immigration a direct responsibility of the Federal Government by which it should be entirely conducted. In any event, early steps should be taken to determine an immigration policy for Canada which should also take into consideration plans for settlement and colonization. It is certain that if Canada enters an era of prosperity after the war, immigration pressure will be great and some adequate method of selection will be necessary.

Consideration should be given by Parliament to the necessity for increasing the population of Canada by immigration, but measures should be applied gradually and only after the problem of adequate provision for the return to the Canadian economy of veterans of the present war has been solved, and those engaged in war work have been established on a sure and satisfactory basis.

In any immigration policy introduced care must be taken that no immigrant be exploited by those interested in the sale of property, acquisition of cheap labour or in the development of their own selfish personal interests. Land settlement under immigration should be permitted only in areas capable of economic development.

Housing

A basic subsistence need in Canada is adequate housing. The ideal situation would be if each family could own its own dwelling. However, industrial conditions in a large number of cases do not permit this and, therefore, good quality houses, at low rentals, are a necessity. The Legion urges that there should be a national housing policy developed, which must necessarily secure the co-operation of provincial and municipal authorities to become effective. Some cities and municipalities will undoubtedly be concerned about town planning and beautification projects. These should come within the scope of any national schemes that may be developed. However, the immediate need will be to provide housing at low cost for either individual ownership or rental purposes.

Most cities have slums. A national policy should give impetus to slum clearance. Houses unfit for human habitation should be condemned and some plan of enabling owners of the property to rebuild it should be worked out.

The Development of Transportation

There should be great development of the means of transportation after the war, co-ordinating steamship, rail, highway and airway traffic. All must be co-ordinated, regulated and developed to meet both international and domestic needs. Ways should be sought to reduce and equalize the cost of travel and freight rates. Means should be found to serve all communities, even if subsidization should be necessary in cases where the service is not profitable.

Provision should be made for the re-establishment of ex-Service men in all these services. For example, we believe personnel for civilian flying can be obtained almost exclusively from men discharged from the R.C.A.F., while railway and steamship companies should be ready to absorb men from both the Army and Navy who will have gained experience which, together with some vocational training, will fit them for a variety of jobs with transportation companies.

Veterans of the Last War

The re-establishment of members of The Veterans' Guard of Canada and other veterans of the last war who are again serving in the armed forces will present a difficult problem in that, upon the termination of the war, many will have long passed the period during which they can take advantage of most of the provisions for re-establishment presented and open to the young veterans. In view of their age, special consideration must be given to such veterans, whether by their establishment in protected industries, the setting aside for them of preferred positions, or their re-establishment in subsidized communities, or the provision of a special form of social security. This might be done under The War Veterans' Allowance Act, which could be amended to make them all eligible, whether or not they served in an actual theatre of war.

Post-War Provision for Merchant Marine

The Legion feels strongly that the personnel of the Merchant Marine, who ply the high seas in constant danger from enemy attack, should be given the same post-war benefits that are being provided for members of the armed forces. The risk of life is constant and the service is entirely voluntary, at rates of pay that are not in keeping with the risks.

Post-war provision has been made for these men and their dependents, but in comparison with the benefits available to the armed forces serving in a theatre of war they are not so well treated, particularly in respect to entitlement to pension.

We would recommend that Section 2 (a) (111) of Order-in-Council P.C. 104/3546 be amended so as to provide that pension by way of compensation for disability or death due to disease be authorized, and that the "insurance principle" shall apply in the same manner as set out in the Canadian Pension Act for those who have served in the Canadian Armed Forces in a theatre of war.

We would further recommend that all cases pensioned under this Order-in-Council shall be entitled to Class 1 Medical treatment and hospitalization under Order-in-Council P.C. 91.

Imperial Ex-Service Men

It is more than probable that after this war, as was the case following the First Great War, a considerable number of British ex-Service men will migrate to Canada. The Canadian veterans who fought alongside these men in the last war regard the "Imperial" as one of themselves. It has been a great source of bitterness to Canadian ex-Service men that, despite repeated representations, it has only been possible to secure provision in old age for those Imperials who were domiciled in Canada at the outbreak of the Great War, leaving thousands who came to Canada in the post-war years unprovided for.

Efforts have been made by representation both to the British Government and the Canadian Government to better their lot. The British, however, have a social security system the benefits of which, of course, are forfeited upon migration, and thus the welfare of these men is now considered to be the responsibility of Canada.

Very strong representations have also been made to have Imperial ex-Service men included among the beneficiaries of The War Veterans' Allowance Act after residing in Canada for a long period, but so far without results. We are now

asking the Government to face this problem fairly and to accept the responsibility for Imperial ex-Service men who have been long resident in Canada and to place them on the same footing as their Canadian comrades under the terms of The War Veterans' Allowance Act.

It is our understanding that the non-contributory social security measures of Great Britain are available to citizens of the self-governing Dominions, including Canada, after 12 years' residence, while contributory measures are available after shorter periods. Therefore, while we believe there is no comparable legislation to War Veterans' Allowance in Great Britain, it does not seem unreasonable to ask that men who fought side by side with our troops should also participate in this social legislation for veterans after a reasonable period of qualifying residence in this country.

Re-Establishment or Social Security Arrangements Between The United States and Canada

A large number of citizens of the United States are now serving in Canada's armed forces. When these men are discharged they will be entitled to the post-war benefits available to their Canadian comrades under existing regulations. They can take full advantage of these only if they remain in Canada. It is natural that many will desire to return to their homes, in which case they would forfeit many of these benefits.

The Legion has learned from experience that the inability to participate in Canadian benefits or in the benefits provided by their own Government for men who served in the American forces has created a problem which is extremely difficult to deal with.

We urge that immediate consideration be given to the possibility of reaching some reciprocal agreement with the United States Government whereby at least some re-establishment benefits shall be available to men in the United States discharged from the Canadian forces or any members of the American forces who remain in or migrate to Canada.

We believe that this reciprocal arrangement should apply also to the extension of social security measures, such as The War Veterans' Allowance Act, provided there is some similar provision in the United States which can be regarded as an equivalent.

* * *

In concluding this brief, The Legion desires to emphasize the necessity for the immediate practical development of Canada's reconstruction plans and making them available to the public at the earliest possible moment. While the war is not yet won, we should nevertheless consider reconstruction now in the light of a possible early collapse of the enemy and a sudden demand to start the process of returning to the status of peace. Education of the public mind we believe to be an essential step if a lot of misunderstanding, possibly leading to obstruction, is to be avoided. When hostilities cease, there will be considerable emotional excitement due to the release of pent-up feelings. We think that if the government will blue-print its plans now and take the public into its confidence about the steps it intends to take in preparing for peace, such action will have a steadying effect during the period of readjustment, whether this be of short or long duration. Only in this way can we maintain unity in our efforts to win the peace.

APPENDIX "B"

Submission to the Royal Commission on Veterans' Qualifications by the Canadian Legion of the British Empire Service League Dominion Command.

The problem confronting this commission is urgent and complex. Thousands of men are now returning from overseas to be demobilized. The manner of fitting them into civil life with proper credit for the knowledge, skills and experience gained while in the forces will be to them the initial test of the democratic way of life for which they have been fighting. It would appear that at the moment no university, educational or vocational training institute is geared-up to cope with the task.

It is obvious that credit given for knowledge and skills learned in the forces will be of no value for rehabilitation purposes unless there is employment available in which they can be used, and information concerning such employment is immediately promulgated. To give credit that can be used in acquiring mastery of a trade or a university degree is but an empty gesture unless the trade or degree can be applied in useful remuneration employment.

It is the hope of everyone that mass or extended unemployment has been banished forever but no one as yet really believes this is so. Indeed the fear of unemployment is as acute to-day as ever it was and this fear will not be relieved until each man willing to work is assured of a peace time vocation or job, and the certainty of reasonable security therein. It is certain therefore that a large proportion of veterans will wish to take employment as soon as they can after discharge, utilizing whatever qualifications they possess at the time of discharge. It seems likely therefore that in many thousands of cases the point at which credit will have to be applied immediately if at all is when the newly discharged man or woman presents an application for placement to the local office of the Unemployment Insurance Commission. The individual need for employment may be so great, or the job offered may be so attractive, that it will be accepted regardless of whether an acquired skill or knowledge is involved. In such cases the application of credit would have to be postponed, or may never be needed if the placement gives satisfactory continuous employment. It must not be inferred, however, that the immediate acquisition of a job will represent satisfactory rehabilitation. With so many benefits to choose from the choice may well be postponed in many cases. The desire to take further training may come only after an effort to become re-established has been made in some other line of work than that followed in the forces. Furthermore men will undoubtedly enter continuing war work of a temporary nature and this may present a problem if the training benefit is exhausted because of the time limit.

The establishing of credits for service courses and experience is undoubtedly the function of the provincial authorities as will be the determination of the standards by which they will be measured. Yet the federal government is charged with the responsibility of seeing that proper credits are given. The standards set up by the military authorities are undoubtedly standards established under federal authority and the veteran is entitled to an assurance that he or she will not be left to deal with a number of different authorities, be they educational, trade, universities or provincial governments without strong support in securing just credit. The establishing of this commission is an indication that the federal government is fully aware of the difficulties involved.

The Legion asserts that not only must full credit be given the veteran for knowledge and skill acquired in the service but freedom to practice it

immediately upon discharge or upon acquiring proficiency after training. We believe this cannot be effectively carried out for all unless at the earliest possible date:—

- (1) A veteran is able to move to any part of Canada to seek rehabilitation and to practice his trade, calling or profession without being handicapped, obstructed, or inconvenienced by conflicting governmental jurisdictions or by arbitrary restraints established by professional bodies or trade groups.
- (2) Standards necessary to a trade, calling or profession are made uniform throughout the dominion.
- (3) Matriculation standards are made uniform throughout the dominion.
- (4) And constitutional difficulties in administering the rehabilitation program are referred immediately to the Conference on Federal-Provincial Relations and machinery is set up to deal with them authoritatively and quickly.
- (5) This Commission on Veterans' Qualifications be empowered to make recommendations to provincial governments as well as to the federal government.
- (6) In any agreements entered into between the federal and provincial governments, the federal government can secure for the veteran a practical and effective means of assessing and applying credits in education, training and employment.
- (7) Unless adequate finances are forthcoming from the federal government to establish the means of carrying out the education and training benefits, by subsidizing provincial governments or provincial institutions, or by other fiscal means.
- (8) Notwithstanding the efforts of private enterprise to create and maintain employment the federal and provincial governments also open up avenues of employment.

In support of the proposal in paragraph (8) the Legion asserts that there are services and enterprises that only the government can undertake because private enterprise cannot enter certain fields of essential public services or undertakings such as roadbuilding, sewage disposal, irrigation, conservation, etc. These are not to be regarded as works of artificial stimulation of employment but as enterprises essential to the general well-being of all Canadians. The public and certainly the veteran will no longer be satisfied with a "no money available" dictum preventing the development of such services.

Before closing this brief, reference is made to certain representations made by the Canadian Legion before the House of Commons Committee on Post-war reconstruction and re-establishment on July 3, 1943. Particular attention is drawn to the principle enunciated therein defining the obligation of the nation to rehabilitate members of the armed forces upon their return to civil life:—

"that adequate steps be taken to ensure that those who volunteered for service shall in no way be penalized on their return to civil life and, so far as possible, shall be assured of that place in civil life which they might reasonably be assumed to have obtained had they not enlisted."

This principle has been accepted by the government and reference has been made to it in the pamphlet published by the Department of Veterans Affairs under the title, "Principles Governing Rehabilitation Training." It will be noted that this principle implies an original freedom of choice and action on

the part of the veteran, independence, and ability to make a place for himself in the community. It also implies that while he may have a right to all the assistance the government or other agencies can give him it cannot rehabilitate him without appropriate initiative and effort on his own behalf.

The WITNESS: We have asked some of our representatives who live in the States to appear before you on Monday next to explain their proposals.

Thank you very much.

The CHAIRMAN: Is it the desire of the committee to proceed with questioning, or shall we have a five minute recess?

Mr. BAKER: Before you come to that, Mr. Chairman, may I just ask one question? It relates to page 12 of the Legion brief, Veterans' Land Act, co-operative purchasing, and particularly to sub-paragraph 1 to that section where it says, "that the cost of farm machinery to soldier settlers should be reduced." The area from which I come is largely dependent on fisheries; a considerable proportion of our population depends upon fisheries; and as under the Veterans' Land Act fishermen can purchase houses and boats and equipment in lieu of farm machinery and equipment, I think it is very necessary that that should be related to that paragraph. I think probably the only reason it does not appear there is that it happened to be overlooked. I think it is very necessary that that item should be included, and I would ask that the paragraph be amended accordingly, if the Legion will permit that to be done.

The CHAIRMAN: I think the committee will rise for five minutes.

The committee took recess at 11.45 o'clock a.m.

On resuming:

The CHAIRMAN: During the short adjournment I have had a chance to look at the brief submitted by Mr. Isnor. It has to do with the pilots of the Halifax pilotage district. With your consent we will have this printed as an appendix to the proceedings of the committee. Is that satisfactory?

Some Hon. MEMBERS: Agreed.

(See Appendix A)

The CHAIRMAN: The Canadian Legion have a brief in regard to the Pension Act which, at the present rate of progress, will not be reached for a meeting or so. I just wonder if it would not be a good thing for them to defer the presentation of that brief until some date close to the time when we can take it up.

Mr. MUTCH: I so move.

The CHAIRMAN: It is moved that we defer that.

Mr. GREEN: Would there not be time today to get that in?

Mr. MUTCH: I do not think so. There is too much yet to do.

The CHAIRMAN: I doubt it. They themselves think that it might be a good thing to present it later, just before we come to consider it.

Mr. GREEN: That is what Mr. Walker would like to do, is it?

The WITNESS: Mr. Hale is our chief adjustment officer. He lives here in Ottawa and he will be ready to give it at any time.

Mr. GREEN: You would prefer not to have it presented today?

The WITNESS: Yes. Whatever is satisfactory to you.

The CHAIRMAN: Is it the wish of the committee that the motion should carry?

(Agreed)

The CHAIRMAN: Did you wish, Mr. Walker, to call any of these other gentlemen, or did you wish to have yourself questioned on this brief?

The WITNESS: I think I can answer the questions. If not, I will call on one of my staff.

The CHAIRMAN: All right. We shall proceed with the questioning on the brief that Mr. Walker has presented.

Mr. QUELCH: Mr. Chairman, on page 13 of the brief, reference is made to a matter that is dealt with under section 13 of the new Veterans' Land Act. I understand we are asking questions on any part of the brief. Is that so?

The CHAIRMAN: I think so, yes.

Mr. QUELCH: It refers to section 13 of the Veterans' Land Act. I would ask you to remember that that section provides that where a soldier owns land he can only come under the Act to the extent of being able to borrow money. The other benefits of the Act are not available to him. When the Act was before the committee some of us protested that section. We felt that the man should be eligible for the full benefits. Unfortunately not only is he not eligible for the full benefits of the Act, but he is deprived from getting rehabilitation credit. The brief proposes that the rehabilitation credit—

The CHAIRMAN: Re-establishment credit, you mean.

Mr. QUELCH: Yes, re-establishment credit. The brief suggests that this credit should be made available to this soldier who comes under section 13. Would it not perhaps be as well to advocate that the soldier in that class should be allowed to sell his farm to the Veterans' Land Board, and in that way become eligible for the full benefits of the Act? Would that not simplify the matter?

The CHAIRMAN: That occurred to me. Why not say that the man can sell his own land to the government and buy it back?

Mr. WOODS: The Legion's proposal would have just that effect, because the Legion proposes he be given the same—

The WITNESS: The same rights.

Mr. WOODS: The Legion proposes he be given the same privileges as if he had purchased the property.

The CHAIRMAN: Is there anything to prevent that, Mr. Woods?

Mr. WOODS: That is a matter for this committee to determine when the Veterans' Land Act comes before it.

The CHAIRMAN: I mean, is there anything in the regulations to-day that would prevent a man from selling his land to the government and buying it back again?

Mr. QUELCH: Yes. The ruling has been that they cannot do so. I have one or two cases in mind where a recommendation was made by the local representative of the board in Alberta that that be done, and they were informed that it could not be done under the Act. I am very glad that the brief does cover that point. It did not seem quite clear to me whether or not that suggestion was included in the brief. But if that is the understanding it is all right.

Mr. BROOKS: It would be subject to acceptance by the officials of the department, and if it was not opposed by those officials it could be bought under that Act.

Mr. MUTCH: That would put him on all fours with a man who buys it.

Mr. BROOKS: He might want to retain that piece of land.

Mr. QUELCH: On page 11 of the brief there is a reference to the old soldier settlers, and the recommendation there is that clear title be given provided a soldier reduces his indebtedness to 25 per cent of the original purchase price or the reduced purchase price. I do not think that will go far enough to satisfy the organization that calls itself the Old Soldier Settlers' Organization, because they are asking for a clear title for all soldier settlers of the last war. I think we must all agree that the soldiers who are in the most difficult position of all are those soldier settlers who have had no chance of reducing their indebtedness

to that 25 per cent, the ones who have been up against bad luck. Some of you may call it bad management perhaps, but we know that the situation these men went through in the depression years put them in a position where they could not get the money to buy the farm. I should like very much to see that 25 per cent taken out of your recommendation, making it wide open so that title can be given to the old soldier settlers, whether in the fortunate position of being able to reduce their indebtedness to 25 per cent or not. I wonder if Mr. Walker would comment on that?

THE WITNESS: I am sure it will not hurt our feelings if you do give them clear title.

MR. QUELCH: There is just one other point I should like to refer to, and then I will give way. There is the question of the recommendation for a new bill to be introduced regarding dependents of these men who have been killed overseas. I am very glad to see that recommendation in, and I hope it receives the very sincere consideration of this committee. I am especially interested in it because the matter came up for discussion in the committee yesterday. The suggestion was that the veteran or soldier who is killed overseas has made the supreme sacrifice, and some of us feel that when a man is killed overseas his wife should not be penalized because her husband has made the supreme sacrifice. If he had not been killed, if he had gone right through the war or if he had been wounded and was in hospital until the end of the war, then his wife would have been eligible for the full amount of the gratuity, or the soldier and his wife could have had the full amount of the gratuity payable. But if a soldier is killed, then the gratuity stops on the date of his being killed. I think there is every reason to suggest that, just because a man is killed during the war, his wife should not be penalized by having the gratuity cut off; in other words, the gratuity should be paid to the wife up to the end of the war. Of course, I think your brief can probably be interpreted as recommending that very thing. I should like Mr. Walker to comment on that.

THE WITNESS: Yes. You could interpret our brief that way. In other words, we feel that the rights of the man should be passed on to the widow. That, briefly, summarizes this recommendation.

By Mr. Cockeram:

Q. I take it you have very definite objection to the allowance that is paid for the children of the deceased soldier. For instance, they are paying \$15 to-day. Has the Legion figured out any basis of allowance for children? You say it is not enough. Have you any idea of what you would like to recommend to this committee?—A. I believe that would be in the recommendation on your pension bill, Mr. Hale.

MR. HALE: Mr. Chairman, may I say that there has been a very special study carried out with regard to these questions. The amount of additional pension awarded for children has not been changed since 1919, \$15 for the first child, \$12 for the second, \$10 for the third and any subsequent children. The Legion has always been concerned with the carrying on of the home of a man who has been killed, but with only two children and receiving \$87 a month, the wife has never been adequately compensated nor have the children received the opportunity which they have a right to expect when their father has made the supreme sacrifice. At a later date, Mr. Chairman, perhaps you will permit us to make some representations along those lines, because we have carried on quite an intensive study of the question.

MR. BELZILE: Mr. Chairman, it is stated on page 4 in the second paragraph, "It has been demonstrated in a large number of instances that the re-establishment credit is inadequate for small business enterprises and only a very few veterans will be able to make use of it effectively in this field," I understand

that this Act is quite new. I should like to ask for statistics if there are any available in this country to show it has been demonstrated to be inadequate.—A. We have had numerous complaints from branches that the re-establishment credit is not sufficient to help a man start in business. It may be \$700, \$800, \$900, and if you are fitting out an office and allowing sufficient credit for your needs you are not going to buy very much with that re-establishment credit. What we are asking is that you amend the Industrial Development Bank Act so that a man will be able to get a loan to finance his project properly.

By Mr. Green:

Q. Along that line what has been your experience with the Industrial Development Bank?—A. We have had no experience with it yet.

Q. Have you had reports from men who have applied for loans from that bank?—A. No. We may be able to give you information on that. Mr. Anderson, have you had any complaints about men making applications to the Industrial Development Bank?

Mr. ANDERSON: No, we have not had any definite complaints. We have not had any specific cases. I have never heard of any veteran utilizing that bank to establish himself in business, and if anyone here has I would certainly be glad to hear it. I do not think the average veteran, the man who really has to start from scratch, could make much use of it.

Mr. GREEN: Mind you, I think your idea of helping the small business man is an excellent one. I am afraid though that the way the Industrial Development Bank is set up now it would be pretty hard for any veteran to get much help from it.

Mr. CRUICKSHANK: I had one case. I made application on behalf of two veterans to start a business. It was two brothers who had been discharged. They were definitely turned down under the Industrial Development Bank.

The CHAIRMAN: To whom did they apply?

Mr. CRUICKSHANK: To the Department of Finance and the Minister of Veterans Affairs for advice.

The CHAIRMAN: While we are on that the deputy minister can give us a little bit of information.

Mr. WOODS: The numbers, Mr. Chairman, who have used their re-establishment credit for the purpose of providing capital for their businesses up to the end of September are 5,757, and the amount of money expended in their behalf has been \$811,373. In the purchase of a new business the numbers are 190 and the amount of money involved is \$76,368.

Mr. ROSS (*Souris*): I was going to say I have had some experience with chaps coming back who found it very difficult and in many cases impossible to get re-established. I have a couple in mind right now where these young chaps have been forced to go into partnership with a civilian already in business in order to get established at all. The capital was too limited and they were not able to get established along other lines without going in and getting priorities through the civilian already in business. I think thought should be given to that recommendation. It is important to service people going into business.

There is another question that possibly Mr. Woods can answer. It has to do with co-operative purchasing which is dealt with on page 12 and with respect to the Veterans Land Act. I wonder if that is not a matter of interpretation because my understanding in setting up that Act was that a group of farmers working the land could form a partnership to purchase farm machinery. Probably that is not the situation to-day but I should like Mr. Woods to clear that up because it is a very important matter to-day if any of these young farmers are to succeed on the land.

Mr. Woods: The director of the Veterans Land Act is not here this morning. He will be in attendance on the committee when the Veterans Land Act is being discussed, but I understand from him partnerships in land settlement are permitted.

Mr. Ross (*Souris*): That was my understanding, too, that this matter of co-operative purchasing is a matter of the interpretation of what is a partnership.

By Mr. Mutch:

Q. On page 5 of the brief I should like to ask Mr. Walker with respect to the third paragraph which reads:

The Legion feels that the government should retain the registration of both jobs and job seekers.

and it goes on to mention the use of the open permit system. The specific question I should like to ask is does the Legion feel it is advantageous to the country as a whole and therefore to the Legion to perpetuate that monster, selective service, or some measure of it?—A. You are setting up at the present time your National Emergency Powers Act, and through that Act you can maintain certain controls. We would like to see those controls maintained. We would like to see the government keep hold of those controls for some little time yet.

Q. My question is are you suggesting that National Selective Service be one of those controls? In effect that is what you are suggesting?—A. Absolutely.

Mr. CROLL: I think you can be fairly sure they will for some time yet.

By Mr. Mutch:

Q. With respect to the last paragraph on that page: "That in order to make placement more effective the Unemployment Insurance Commission develop close and friendly employer relations"

have the Legion given consideration to the method of developing that, and as to whether or not that might arouse—I hesitate to use the word "suspicion" but I think it is the only way I can get at it—suspicion on the part of labour as to the disinterestedness of your employment body?—A. During this war quite a number of men of all services had a great deal of experience in training and handling men in trades. It would be quite easy to take a number of those chaps and they could go around and sell the idea of this organization to the employer as well as the idea of the man trained in the army; and by making contact that way they will be able to place quite a number of our veterans. As far as the second part of your question I think labour, like the rest of the people of Canada, are only worried about one thing, placing veterans and their own men. All they are seeking is employment, and how we get it for them does not really matter.

Q. What you are recommending then is in effect, I take it, that experienced people shall be employed to do in the government service, if you like, that work which local volunteer committees have been attempting to do—and expanding it, of course—in the local areas in the various provinces. Then I come to the first paragraph on page 6:—

That to secure effective placement of veterans, placement officers who are ex-service men and who understand the nature of trades training and employment in the three armed services should be engaged by the Unemployment Insurance Commission.

Are we to take it from that that you feel that within the employment agencies of Canada now set up there should be sort of a sub-department, if you like, which will deal specifically with the placement of veterans?—A. That is what they are doing now.

Q. In effect; that is a part of the point. In effect that is what you have now. In other words, we have anticipated that recommendation?—A. Let them go a little further than they are doing today.

Q. How far?—A. As I said, if you are going to place veterans in industry someone capable of understanding the problem must go out to the employer. He must look around that plant and find out just where he can most effectively place the veteran. He can be of help to the employer and to the man.

Q. What you really mean is improve your personnel?—A. Yes.

By Mr. Probe:

Q. Reverting for a moment to the open permit system for veterans which was suggested in this brief, I believe the experience with the open permit system to date has been in effect to say that a man who is looking for a job under an open permit is more or less incompetent and employers tend to shy away from the man who presents an open permit. I should like to have the Legion clarify how they would work the open permit system to get away from the present stigma that is attached to it. I am quite sure that is correct.—A. I have had no experience along those lines. Veterans coming to us feel there is a restraint there. It takes a little time for a man to settle down after fighting and he does not want to be tied down to one locality. It may be that the west coast is better for him. He wants to go where he feels like going, and we should not say to the man, "You must stay here, buddy." Let us help him find his own level. Because a certain man asks for an open permit I do not think any employer should look upon him as a poorer type of workman.

MR. PROBE: I hope some education of the employer will be undertaken in the cause of the veteran in connection with that because my experience has been they shy away from the open permit men.

MR. CRUICKSHANK: Why?

MR. PROBE: For this reason, that when a man is given a specific permit for a certain job in a certain place it indicates competence to handle that job whereas if he is given a permit by Selective Service to go hunting for a job what it amounts to in effect is that it indicates that Selective Service is not too certain what his qualifications are for jobs.

MR. CRUICKSHANK: I cannot see why it should.

MR. CROLL: That has been the reaction.

MR. MUTCH: It does not make sense but it is true.

MR. PROBE: Mind you, I concur in your suggestion in the brief but it is going to require a slight enlargement and expansion, at least, of the employers' reaction to that. I should like to say one thing more while I am on my feet. That is in connection with the re-establishment credit for a man going into a business of his own. As things now stand a man who takes advantage of the Veterans' Land Act may receive a maximum of \$2,320 by way of government re-establishment credit. If a man decides to continue his education and has sufficient service he can receive up to \$4,000. That is not a great exaggeration of the amount if he is contemplating a full medical course, for example, or an engineering course. Then there is the man who, possibly by reason of age, may wish to go directly into business. Suppose he has five years service. The gentleman next to me asked for statistics. I figured out roughly that a man who had five years service of which two years was in Canada and three years overseas—that would be fair average of our boys—would be entitled to \$720 by way of re-establishment credit. You have this anomalous situation that if you go to a farm or a small holding or a fishing enterprise you may receive \$2,320; if you decide to go to university you may receive \$4,000; if you decide to go into business you may receive by way of government assistance \$720. It

would seem to me that there should be some effort made to equalize that situation more than is the case at the present time. I know it is not possible to evaluate re-establishment credit in terms of exact dollars and cents, but I believe we should be aiming to bring this man who is setting up a business on his own account through his own initiative, up to a point where he is getting a little more assistance than would be his right on a basis of \$7.50 for each month of service in Canada and \$15 for each month of service overseas. I should like to have your reaction to that.

THE WITNESS: One of the many criticisms of the original Land Settlement Act was that the government stated they spent \$125,000,000 on 26,000 men. When I was overseas this summer, I had the opportunity of speaking to many groups of lads. Many of them asked me the question: how could they start a small business. I figure that a man, taking advantage of the land act, would really get \$2,640. He gets his \$1,200, for his stock and equipment, then he has \$1,440, about one-third of the \$4,800, less the ten per cent, \$2,640.

By Mr. Probe:

Q. Less ten per cent of the down payment. It comes to \$2,320, I believe?—

A. We won't argue about that. The lads have it figured out to the last cent and they say: why cannot we have the advantage of this for a small business? I cannot see why not. We should encourage men through some such measures as the Veterans' Land Act to enter business.

MR. PROBE: I am heartily in accordance.

THE CHAIRMAN: Just while we are on the point, should we not hear from the deputy minister?

MR. WOODS: The question has been asked: Is it not possible to equalize in some respects the apparently generous treatment of the man who goes to university as compared with the man who settles on the land and the man who wishes to go into business.

MR. CRUICKSHANK: Would not the word "just" be better than the word "generous"?

MR. WOODS: The reason back of the thing I would explain as follows. The re-establishment programme is designed to meet the re-establishment needs of the individual. Having regard for the man who is through university, his training has probably cost him in the vicinity of \$6,000 to \$8,000. That man would go directly into a profession and would not need university training. But when you compare him with a man who has only his senior matriculation, then the re-establishment needs of this second man would require that \$4,000 or \$5,000 be expended upon him. It was the opinion of a parliamentary committee which sat on the Veterans' Land Act that the need of the veteran going on the farm would be that he be given an equity on the property, otherwise he could not succeed. That equity would be based on his needs. When you come to the man who is going into business, I do not deny that that veteran may need a lot of credit, as suggested by the Canadian Legion. He certainly needs a lot of credit to succeed. My point is that it was found necessary, when the War Service Grants Act was enacted to provide quid pro quo for the man who did not need university training, costly university training, and for the man who was not a farmer and who was not going to settle on the land. Grants based on the needs of the individual must of necessity cost more in one situation than they would in another. That was the reason for the re-establishment credit: to provide some quid pro quo for the individual who was not fitted for land settlement or for training but who might require some credit.

MR. PROBE: I shall be very brief. I agree with the remarks of the deputy minister with respect to getting equity for a man in terms of education or training. There is, however, a lot in the case of the other man who may also

require to be re-established, and I think it is very serious indeed. Even though we give him \$720, in the case of the man with five years service, as outlined, I think we should permit him easy access to credit if he is a suitable case. It must be remembered that we have got all sorts of advisors and strings attached now to directing him and channeling him properly into re-establishment.

THE CHAIRMAN: If we are going to let every member of the committee make speeches about what they think should be done we shall make very slow progress.

MR. PROBE: I want to make the point that this fellow has not been looked after like the other fellow has been looked after.

THE CHAIRMAN: This is not the time to make points. It is the time to ask questions of the witness. I must apply that ruling impartially to everyone.

MR. FULTON: We have the benefit of a number of experienced witnesses here who may be called to give answers to the points that we are trying to clear up. I do not think you should close off discussions in that way.

THE CHAIRMAN: I am in the hands of the committee it seems. There are two ways in which we can operate. The first way is, when we have a witness in front of us, we can ask him for his opinion. Then the time will come when the members of the committee can contribute their own suggestions and experiences. But while the witnesses are here, we should not waste their time by having the members of the committee discuss and make observations about their own experiences and suggestions. Let us get the opinions of the witnesses and let us wait until that is done before we offer our own experiences and suggestions. On the other hand, if you want to throw everything open to discussion again, it is for the committee to say. Should we proceed with questions?

Agreed.

By Mr. Ross (sours):

Q. Could Mr. Walker enlarge a bit on that? In one sentence, I would like to ask him what assistance he thinks a young man who has some business experience or training should have as compared to a man settling on the land? I know more about the prairie provinces than I do about the rest of Canada. I have in mind two brothers in a small town or village. One brother is well trained for business, but he has no capital. The other brother is already on the land. Now the question is, what should the former be entitled to as compared to the latter? There is a lot of ill-feeling throughout the other provinces on that subject alone. I think we should be given some lead there, because it is bound to create difficulties for the government as it stands.—A. I am very glad you asked that question. After a careful investigation, I cannot see any reason why the lad who starts in business should not have the same credits as the lad going on the land. The whole system is set up to give each lad an opportunity to make a living, and the lad with the small business is just as much entitled to his credit as the man going out to raise peaches in British Columbia.

THE CHAIRMAN: You were alluding to Mr. Cruickshank there when you mentioned peaches.

MR. CROLL: May I come to your assistance by adding one suggestion to what Mr. Ross has said. I was not going to talk for any one but the prairie provinces for a minute, but Mr. Ross has covered it so well. I think that one matter that the Canadian Legion has argued has not gone far enough in one respect. It seems to me that there is a way out. We have the War Assets Corporation. I intended to bring this up at a committee sometime later, but I see no reason at all why the soldier who goes into business, who was in business before the war, or who wants to go into business now, should not get the first priority on the goods of War Assets Corporation, and why they should not give him credit.

Mr. ROSS (*Souris*): Does he not get that priority now?

Mr. CROLL: No. He must get that priority because these goods are being sold all over the country. He should be the first man to get his chance at them.

Mr. WALKER: We cover that on page 15 of our brief.

By Mr. Sinclair:

Q. Two years ago the British Columbia command of the Legion put forward the suggestion that lads coming back to British Columbia could not get started in the motor industry, and it was suggested that War Assets Corporation should supply these men with the necessary goods. War Assets Corporation said it was impossible to do so. Now, in the United States they are doing that. So I wonder if your executive have studied or consulted with the American Legion on the American plan of releasing surplus goods to veterans first?—A. Yes, we have a copy of the G. I. Bill of Rights. We have been studying that, and we have some of our comrades here who are from the United States. Speaking of trucks, we have in some cases made application for a truck for a veteran who wanted to start his own business, but he could not get that truck because he did not have one before the war. The veteran might have been in school at that time. That is nonsense, and that is what we want to clear up.

Q. Have you actual correspondence about how this plan to release these goods operates? They held two or three auctions last month at which only veterans were permitted to bid?—A. Have you got any correspondence, Mr. Anderson, or you, Mr. Herwig?

Mr. ANDERSON: Yes. We did have correspondence with the American Legion on that subject, with regard to a plan or system of disposals. So far we have not anything definite to communicate as to just how it has worked out. I do not think they are very certain themselves. There has not been a great deal done in the way of disposing of U.S. surplus assets, but that much information has been gathered. We also have the proposed plan of the United Kingdom government on the disposal of assets, and discussions are being conducted with War Assets Corporation, in an endeavour to set up some sort of priority for veterans, but not necessarily similar to those I mentioned.

By Mr. Green:

Q. Have the Legion given any consideration to a scheme, something like the home improvement loans, for these men who want to start in business, whereby the government would stand behind the bank, and the bank would make the loan to the veterans? It seems to me that something of that kind might well be worked out. Under the Housing Act we have a similar principle, whereby the government makes the loan.

The CHAIRMAN: You said home improvement, did you mean farm improvement?

Mr. GREEN: I said "home", and I mean home.

The WITNESS: That is just what we are suggesting.

Mr. GREEN: It is not set up in that way.

Mr. LENNARD: I am glad to see an extension of the war veterans' allowance to Imperial ex-service men and I hope this committee will give serious consideration to those veterans under the act. Many of those veterans have been in this country for many years, and many of them have lost their sons. My question is: how many veterans are there?

The WITNESS: I will give you that information. Mr. Lynham, how many Imperials would be eligible for the government benefits?

Mr. JAMES LYNHAM: We estimate that there will be approximately 2,300 eligible at the moment. And these figures are based on statistics provided by

the Dominion Bureau of Statistics taken from the 1940 census which showed that there then 8,600 Imperial ex-service men in Canada. In arriving at that figure we considered the statistics supplied us which indicated the percentage of men who would be eligible to benefit under the Veterans' Land Act. We made our figures a little lower than their estimate because of experience which we had had. It should be borne in mind that when considering Imperial ex-service men one has to consider the medical state of the individual, and there are only a certain number of them who could maintain themselves for the period of time necessary to enable them to become established. Based on those figures we considered that the number of our men who would be eligible would be approximately 8 per cent, which is less than the figures given by the Bureau.

Mr. BROOKS: At the bottom of page 6 of your brief you say; "The Legion therefore recommends that the government adopt a policy of providing rapidly constructed low priced emergency shelter for rental, to meet emergency needs during the next two years." I wonder if Mr. Walker could give us some further information of what he means there. We have heard a lot of complaints about the type of house being constructed for the veterans and I would like to ask whether the Legion has taken under consideration the type of house that should be constructed, as to number of rooms, and so on?

The WITNESS: The idea of that recommendation is to find out how many of these government huts there are and are now not in use. We feel that shelter is required now, not next spring, and by using these huts or other government buildings or private buildings, we can give them low cost shelter. Regarding the type of home, I have examined a few homes in the course of construction under the Veterans' Land Act and they are a very fine type of building; good materials and well built. There is nothing really wrong with them. The trouble is shortages of materials; you cannot get sewer pipe, plumbing supplies and sometimes materials like insulating board; but the materials going in are first class.

Mr. HARKNESS: In connection with your recommendation on page 20 in regard to university and vocational training, do you not think the application of that recommendation would tend to make the benefits received by individuals more unequal than they are at the present time and therefore be contrary to what you have just said in regard to raising the amount of re-establishment credit for men going into business in order to make it equal to that available to men going on the land?

The WITNESS: Naturally, we are concerned. This is one way of doing it. We know from the boys who are attending university and vocational schools that they are having difficulty in getting by with the veterans' allowance.

Mr. FULTON: The question I have has to do with the recommendations found on page 10. You outlined the necessity of providing housing facilities for men at sawmills, mines and so on; and then you make a recommendation in the third paragraph of that page; "The Legion recommends that the government immediately undertake an enquiry to ascertain the reasons for this condition, and apply remedial measures forthwith." What I want to know is, in view of the nature of the housing requirements necessary to meet the emergency of the country whether the Legion has made a study—they obviously have—and whether you are prepared to make a recommendation based on that study, as to whether any consideration should be given various types of houses; and do they consider that this problem should receive priority? I merely suggest that as an enlargement of this section.

The WITNESS: I would ask Major General Foster if he would come up here: General Foster, would you mind coming up here? I will ask him to reply to that.

Major General W. W. FOSTER: Mr. Chairman, I think the point that is raised here is this: that in many of their aspects unemployment and housing

should be considered jointly. The point that has just been raised by Major Fulton is this, or the intention of it is this; that in the construction industry, for instance, there is a very great shortage of material. That material can be obtained, of course, very largely from basic industries; take in British Columbia, for instance, from the forests. Unemployment is said to exist in the cities. There are large numbers of men in the different cities who could be used, of course, very usefully, in these basic industries; but it is found that in locations where employment is available there is no housing accommodation. For instance, there is a shortage of lumber. The logging industry and the saw mills require men. The men that are available today are not the single men of years past who were willing to go out into the woods and live in camps. Many of them, the men particularly that we are speaking of, have been married and are now in the cities with their families; and unless suitable accommodation is provided where work is available, it is impossible, of course, for them. It should not be asked of them that they should leave their families in one place and to seek work in another. The suggestion that is made in this paragraph, Mr. Chairman, is that in this particular respect, joint consideration should be given to the problem of employment and housing in order to provide accommodation of a suitable nature where employment is available.

Just to close the argument, and I know time is scarce, it is quite correctly stated by the Department of Labour that there are thousands of jobs available. It is equally correct to say that there is no accommodation where those jobs are available; and what is needed, of course, is some system of co-ordination between departments or some supervision by which accommodation is available where work is obtainable. That I think is the problem, that I know is the problem to which attention is drawn here; and by providing, of course, men to bring the logs out of the forests, providing men to work in the saw mills one then provides the materials required in construction and eases the situation as far as the cities are concerned. I am afraid I have put that rather roughly, Mr. Chairman, because I had not expected to be called upon.

Mr. FULTON: May I ask this specific question. I will just put it and see what happens. Would the Legion be prepared to state in view of what is in this paragraph and in view of what General Foster has said, that the primary housing need is to provide accommodation so that we may get our basic or primary industries going, and that then you will provide the materials to solve the other housing difficulties. Would the Legion be prepared to make that recommendation, so that we can get something specific on this?

Major General FOSTER: I think it must be remembered, Mr. Chairman, that conditions would not be the same everywhere, and naturally the first requirement of the man and his family is to obtain shelter. But granted that, I think this should be approached from the point of view that I have just mentioned; that is, getting men available to basic industries which serve so many other types of work.

Mr. MUTCH: With respect to the recommendation of temporary housing, or housing perhaps by pre-fabricated or other types of housing in those more or less remote communities, because that is where the work is done, has the Legion given any consideration to the problem which would immediately arise of schooling and hospitalization?

Major General FOSTER: I think possibly it is accepted that where there is a community the provision of amenities of that character would be the responsibility of the provincial government; and there has been no failure, as far as I know, to supply them.

Mr. MUTCH: That argument is raised against going to work in those places.

Major General FOSTER: That is what is required, of course; provision of those amenities.

The CHAIRMAN: Are there any other questions?

Mr. PEARKES: On page 19 reference is made to the Imperial veterans in paragraph (c) where it says, "men who served in a theatre of actual war in the Imperial Forces during the first great war" and so on. Is it intended to limit it only to the first great war? I have reference to operations such as the third Afghan war which followed immediately after the first great war but is not included as part of the first great war. We have in British Columbia a number of ex-Indian army personnel who came and settled in British Columbia, some of whom have served in this country during this war and had previously served in operations such as the third Afghan war.

The WITNESS: Mr. Chairman, para. (c) is only summarizing the effect of the existing legislation.

By Mr. Brooks:

Q. Take the case of men who are isolated in certain districts and cannot take this vocational training or university training. Is the Legion making any recommendations for correspondence courses for these men? There are also men in hospitals who have to take up their studies from hospitals.—A. I believe that the Legion will be presenting to your committee a proposal along those lines. As from the first of January, 1946, Canadian Legion War Services as it exists will cease to operate but we would like to continue that service with the help of the government to men in hospitals and to men in outlying districts.

Q. That is something along the line I was thinking.

The CHAIRMAN: Are there any other questions?

Mr. ISNOR: Mr. Chairman . . .

The CHAIRMAN: If there are many questions I do not think we should let this opportunity pass to clear up any points that are in the minds of the members when there is such a good representation from the Legion. We have already sat past the usual hour of adjournment. I was wondering if there are several members who still wish to ask questions and if approval would be given to sitting for a while this afternoon. Are there many members who still wish to ask questions?

By Mr. Quelch:

Q. Is it definitely understood we will have a representative of the Legion here during the discussion of each bill?—A. Yes.

The CHAIRMAN: Apparently you are the only one, Mr. Isnor, who intended to ask a question. You can ask it.

By Mr. Isnor:

Q. On page 6, you say:—

The Legion recommends that steps be taken to free idle stocks under the control of government agencies, which cannot be utilized immediately, for the use of veterans building their own homes.

Would you state what stocks are available?—A. Baths, toilets, basins and soil pipe.

The CHAIRMAN: We will adjourn now until Monday. There seems to be difficulty in getting our committee started at 10.30 on Monday. Perhaps we might make a concession to the 11 o'clock men and say that we will meet at 11 o'clock on Monday next.

The committee adjourned at 12.55 p.m. to meet again on Monday, October 29, 1945, at 11 o'clock a.m.

APPENDIX A

HALIFAX, N.S., Oct. 18, 1945.

RE: SPECIAL 10 PER CENT WAR BONUS

The Pilots of the Halifax Pilotage District contend that they should be included among those to whom the Special Bonus of 10 per cent of Earnings is granted for serving in "dangerous waters" during the war with Germany and Japan.

The Halifax Pilots, because of their position off the Port of Halifax, Nova Scotia, were continually subjected to great risk during the war, the pilot boat's position being, of course, some miles outside the Examination Vessel of the Royal Canadian Navy, and it is doubtful if there was any other port on the North Atlantic where great convoys moved in and out *day and night under all kinds of weather conditions*. The pilots operated right alongside the dangerous mine fields; *ships were sunk by submarine action right alongside the pilot boat as the pilots were carrying out their duties as pilots to other ships*; and the Pilot Boat "CAMPERDOWN" was severely shaken by depth charges during war action.

Furthermore pilots were over-carried from the Port of Halifax to the New England States and the West Indies by ships when there was such high loss through enemy action in these special waters. It is quite logical reasoning to conclude if the crews of the ships which carried the pilots were subject to war risk so were the pilots. Pilots were also carried several hundred miles out to sea where they were taken off by warships of the Royal Canadian Navy. Again it is logical to assume if such naval ships were liable to be engaged in war action (and it is not necessary to theorize on this point in consideration of the known facts) and their personnel subject to risk, the pilots who were aboard were subject to exactly the same condition.

In addition it is also pointed out that the pilot boat has, *during the war, gone as far as five (5) miles outside her station in dense fog, and thick snow, etc. to board ships to obviate the risk of their being torpedoed.*

It should also not be forgotten that during the war six (6) pilots and three (3) crewmen lost their lives in the discharge of their duties on the pilot boat off the Port of Halifax. Furthermore some were injured and others due to the severe physical strain experienced in the discharge of their duties during the war had to be retired from the Pilotage Service. Although perhaps it is not subject matter relevant to the present memorandum, it may be noted that the Halifax Pilots were instrumental in saving from the sea, the lives of several American airmen who crashed in a Catalina Flying Boat into the waters off Halifax in the early part of the war. A letter in praise of their action was received from Captain McHenry then Senior American Naval Officer at the Port of Halifax.

In the regulations of the Government of Canada covering compensation for disablement or loss of life through enemy action provision is made whereby a pilot holds the rank of lieutenant in the Royal Canadian Navy for this purpose. This would appear to acknowledge that there was consideration in the minds of the authoritative officials of the Government of Canada when framing this legislation, that some pilots would be subject to the same risk as other seamen.

It has been stated by some of the pilots that they were under the impression that there may be arguments to offset their claim to the Special Bonus from the fact that they were not signed on articles or subject to a War Risk Bonus. These points being pure technicalities should not be the deciding factors in the test as

to whether a risk in "dangerous waters" was taken or not. In simple fairness and justice, the fact of what actually happened should be the test. Quite clearly the pilots were subject, from the facts themselves, to this risk specified and qualify fully in that regard.

If there should be such an interpretation that a technicality defeats the true purpose of the payment of the Bonus, it is respectfully pointed out that an amendment could be made forthwith while Parliament is now in session, if this is necessary and it cannot be done by Order-in-Council, in order that the spirit of the payment of the Bonus be carried out—that is in recognition for risks taken. If the Royal Canadian Navy on one hand makes provisions for their personnel in such matters and the articulated merchant seamen are provided for on the other hand, it would be illogical to exclude the other factor joining them in the same risk.

(Pilot) N. L. POWER,
for the Halifax Pilots.

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Session 1945

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HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

MONDAY, OCTOBER 29, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;

Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;

Lieutenant-Colonel W. J. Lawson;

Lieutenant-Colonel S. Wellwood;

Messrs. Duncan Rice, Arthur Senior and Fred Cooper, representing the Canadian Legion in the United States.

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1945



ERRATA

Minutes of Proceedings, Tuesday, October 23:

Delete lines 19 and 20 and *substitute*:

The following clauses of the draft bill were adopted without amendment: 1(e), 1(h), 1(j), 1(m), 1(p), 1(q), 1(r).

Clause 1(b) was amended to read: (b) "*Business*" includes trade, industry or profession.

Clause 1 was amended by the deletion of sub-clause (g).

Minutes of Evidence, Tuesday, October 23:

Delete lines 23 to 37, inclusive, on page 224 and *substitute*:

We now come to section (q):—

- (q) "pay and allowances" includes dependents' allowance together with all other allowances calculable and payable on a daily basis except
- (i) kit upkeep allowances;
 - (ii) underclothing allowances;
 - (iii) travelling allowances;
 - (iv) lodging and provisional allowance or subsistence allowance as the case may be in excess of the standard rates payable in Canada at the date of discharge;
 - (v) any special allowance payable overseas but not payable in respect of service in Canada;

MINUTES OF PROCEEDINGS

MONDAY, October 29, 1945.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Walter A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Bentley, Blair, Croll, Emmerson, Fulton, Gillis, Green, Harkness, Herridge, Isnor, Jutras, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Lt.-Col. W. J. Lawson; Lt.-Col. S. Wellwood; Messrs. Duncan Rice, Arthur Senior and Fred Cooper, representing the Canadian Legion in the United States.

Mr. Gunn read an answer to a question put to him at the last meeting by Mr. Green regarding war service gratuity and gratuity credit regulations made under the War Service Grants Act, 1944.

Mr. Gunn filed the following Orders in Council as a supplement to the *Reference Manual on Rehabilitation*; P.C. 6282, November 27, 1940; P.C. 8892, November 24, 1944, P.C. 8944, November 27, 1944; and P.C. 3168, May 1, 1945.

On motion of Mr. Mutch, it was ordered that the above mentioned Orders in Council be printed as Appendix "A" to this day's minutes of evidence and also that copies be printed in loose leaf form for distribution to members of the Committee.

Mr. Gunn submitted amendments to clauses 2 and 6 of the proposed draft bill to amend the War Service Grants Act, 1944.

Lt.-Col. Lawson and Lt.-Col. Wellwood were recalled and questioned.

Mr. Rice was called, submitted a brief on behalf of ex-members of the Canadian Armed Forces resident in the United States, was questioned and retired.

Mr. Woods was recalled and questioned.

The Chairman reported that he had received submissions from the following organizations, which are printed as appendices to this day's minutes of evidence:

The Corps of Canadian (Overseas) Fire Fighters (*App. "B"*);
The Federation of British Canadian Veterans of Canada (*App. "C"*);
Dominion Council, Canadian Non-Pensioned Veterans' Widows (*App. "D"*);

Canadian Civilian Flying Personnel of the R.A.F. Transport Command (*App. "E"*); and

The Women's Auxiliary Winnipeg Division, R.C.N.V.R. (*App. "F"*).

The Committee resumed consideration of the proposed draft bill to amend the War Service Grants Act, 1944.

Clause 1 was amended by the deletion of sub-clauses (k) and (l).

Mr. Mutch moved that Clause 12 be amended by adding thereto the following:

"The board may exempt any person from the operation of section eleven or section twelve of this Act in any case where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act."

Mr. Pearkes moved, in amendment, that discharges for military crimes be not referred to the Board of Review, and that the soldier concerned receive his gratuities as if he had been granted an honourable discharge.

After discussion, and by leave of the Committee Mr. Pearkes withdrew his motion for re-drafting.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, October 30, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
October 29, 1945.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The witnesses that we were going to call for the Legion are not yet here are they?

Mr. FRED A. COOPER: They will be here in about ten minutes, Mr. Chairman.

The CHAIRMAN: Then we shall proceed with other matters; when they get here you can let me know and we will take their evidence.

Gentlemen, our departmental solicitor, Mr. Gunn, has an answer to the question asked by Mr. Green at the last meeting of the committee. I will ask him to read the answer.

Mr. W. G. GUNN: Mr. Chairman, this is the question as to what remains of the so-called regulations made under this Act after we have attempted to take out from it those parts that rely entirely on the War Measures Act. I may say that there is very little left of the war service gratuity regulation, but considerable left of the re-establishment credit regulations. I have the exact description of how the matter stands at the moment, and with your permission I would read this and ask that it be perhaps tabled.

The CHAIRMAN: Will you just read it, please?

Mr. GUNN: The regulations remaining within re-establishment credit regulations as constituted by order in council P.C. 165 of the 18th January, 1945, are as follows:

Regulation 1; regulation 2 (1), and then clauses (a), (c), (g) and (k) of that subsection; then subsection 2 of regulation 2. Then regulations 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21 and 24 remain. Regulations 25, 26 and 27 are to be submitted to your committee in the form of a further amendment to the draft bill.

I may say that these three regulations consist of the provisions that impose penalties for violations of the regulations, and we are now proposing that they be made part of the Act itself. That finishes with the re-establishment credit regulations.

The regulations remaining within the war service gratuity regulations as constituted by order in council P.C. 9440 of the 19th December, 1944, are as follows:

Regulations 1 and 2; regulation 11, subsection (4); regulation 18, subsection (3); regulation 20. That is all on that, sir.

While I am on my feet, Mr. Chairman, may I just mention another matter with reference to this printed book entitled "Orders in Council since 10th September, 1939". It has been found that there have been four orders in council which have been overlooked in compiling this particular book. With your permission I should like to table copies of them. (Orders in council appear as Appendix "A"). I now refer to them. They are as follows: P.C. 6282 dated November 27, 1940. That is the one establishing the welfare division.

Mr. BELZILE: What is the date of that?

Mr. GUNN: November 27, 1940.

Mr. PROBE: And the number, please?

Mr. GUNN: It is number 6282. I may say that I am hoping these will get into the record so they will be of permanent value. Then another is P.C. 8892, dated November 24, 1944. This establishes a per diem rate of pay for members of the local advisory committees that were set up under another order in council. Another is P.C. 8944, dated November 27, 1944, under which the three ministers of national defence took on the work of paying the gratuity on behalf of the Minister of Veterans Affairs. Then the last one is P.C. 3168, dated May 1, 1945, which consists of a short amendment to the treatment regulations. Mr. Chairman, those are the only four that we intended to include in the book and which were overlooked. There are other orders in council which might have been put into that little book, but for the reason that they are contained in the reference manual they were intentionally omitted.

The CHAIRMAN: May we have a motion to have them printed in the record as part of the proceedings?

Mr. MUTCH: I so move.

Mr. GREEN: Are those four orders in council you mentioned in the reference manual?

Mr. GUNN: No, they are not. That is why I am bringing them particularly to your attention. They are not part of either one of these two books.

Mr. GREEN: Could not they be got out as an addition to the manual?

Mr. GUNN: I am asking that they be read into the record. I have copies here this morning.

Mr. MUTCH: I move they be extended on the record.

Mr. GREEN: We get additions to the manual from time to time. I was wondering if there might be more additions and we could include these.

The CHAIRMAN: We could do both. I think it would be very useful to have them in the red book as well as in the record. Do you not think it would be a very good thing to have them in the red book too?

Mr. GUNN: If they are available. Those red books do not come from our particular department, and I am not in a position to say whether they can be readily printed.

The CHAIRMAN: We ourselves can get them printed for the committee in the size that will fit into the red book. We will have them in the record and also distribute them to the committee for the red book. That motion carries, does it?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Is there anything else, Mr. Gunn?

Mr. GUNN: I have two rather lengthy amendments that perhaps it would be advisable to put into the hands of the committee now so that study can be obtained of them in advance of consideration. I have copies here, sir.

The CHAIRMAN: What have they reference to?

Mr. GUNN: The first has reference to subsection (3) of section 3 of the War Service Gratuities Act.

Mr. HERRIDGE: Mr. Chairman, would Mr. Gunn mind speaking a little louder so that we can hear him?

Mr. GUNN: Thank you. I will try to do better. That is something we touched on the other day and left for further consideration. Then in addition to that, I have copies of an amendment which we are proposing—

The CHAIRMAN: Just on that point, is the amendment a long one?

Mr. GUNN: No, this one is not long. But the other one is quite long.

The CHAIRMAN: You have considered, Mr. Gunn, the question that was raised in the last meeting of the committee dealing with the case of a person who might be posted to another unit and be held there for some considerable time. Is this to deal with that situation?

Mr. GUNN: That is right, sir.

The CHAIRMAN: While we are at it, I will just read this to the committee and we will distribute it to the members. It is headed "The War Service Grants Act, 1944, proposed amendments to the draft bill," and reads as follows:—

Subsection (3) of section 3, being the amendment proposed in clause 2 of the draft bill is deleted and the following substituted therefor:

(3) Where a member is posted to a special discharge unit or establishment and his pay and allowances are reduced by reason of such posting, the pay and allowances in issue at the unit, establishment or ship where the member last served in his normal capacity or trade shall be used for the purpose of computing the amount payable to him under subsection (2) of this section.

Section three is further amended by adding thereto the following subsection:

(7) In the case of naval forces the date shown on the certificate of service and on the list of official appointments shall be used for the purpose of this section in determining the dates of posting to and from His Majesty's Canadian ships and establishments with respect to any former member.

Just so you may have this in front of you, we will have it distributed to the members of the committee.

Mr. GUNN: The other one, Mr. Chairman, is to the effect that clause 6 of the draft bill is deleted and this proposed new clause is offered in substitution. If you like, Mr. Chairman, I will be glad to read it.

The CHAIRMAN: It is a long one, is it not? Perhaps you might explain it.

Mr. GUNN: It is just one page. It would take me longer to explain it, there is so much to it, than it would to read it into the record, Mr. Chairman.

The CHAIRMAN: I think it would probably be a good thing to read into the record, then.

Mr. GUNN: Very well.

Clause 6 of the draft bill is deleted and the following substituted therefor:—

6. (1) Payment of war service gratuity to members of the forces shall be made in monthly instalments payable in arrear not exceeding the amount of pay and allowance paid to, or in respect of such member of the forces for the thirty days immediately preceding his discharge unless, solely in consequence of his posting to a special discharge unit or establishment prior to discharge, a lower rate of pay and allowances was in issue to a member at the date of discharge, in which case no instalment shall exceed the pay and allowances, including dependents' allowance, in issue to such member for the thirty days immediately preceding his posting from the unit, the establishment or ship where he last served in his normal capacity and trade, and including also, in the case of a member of the naval forces, lodging and provision allowance, and, in the case of a member of the military or air forces, subsistence allowance at the standard rates, payable in Canada notwithstanding that, at the date of his discharge, he was not receiving such allowances.

(2) For the purposes of this section, the pay and allowances, including dependents' allowance, in issue for the thirty days immediately preceding discharge or for the thirty days immediately preceding the posting of the member from the unit, the establishment or ship where he last served in his normal capacity or trade, as the case may be, shall be deemed to be the equivalent of the daily rate and issue for the last day of either of such thirty day periods, multiplied by thirty.

(3) In the case of naval forces the date shown on the certificate of service and on the list of official appointments shall be used for the purposes of this section in determining the dates of posting to and from His Majesty's Canadian ships and establishments with respect to any former member.

That is the amendment, Mr. Chairman.

Mr. HARKNESS: Will the effect of these amendments be to give for gratuity purposes command pay in the case of commanding officers and staff pay in the case of staff officers, and so forth?

The CHAIRMAN: Do you wish to explain that or have Colonel Lawson explain it?

Mr. GUNN: I would rather have Colonel Lawson explain it.

Colonel LAWSON: There is staff pay and command pay. It is his normal capacity. A man might be the commanding officer of a unit. That would be his normal capacity commanding the unit. Therefore that is how it is included.

Mr. MUTCH: Is it not a fact that at the present moment in computing gratuities this has been done by regulation? For instance, paratroopers who were getting special pay in their capacity returned to their depot and the regimental pay dropped. It is the same thing with some tradesmen. I ask the question is it not a fact that they are being paid on the special basis again?

Mr. GUNN: By regulation under the War Measures Act.

Mr. MUTCH: This just clarifies it in legislation.

Mr. GUNN: That is right.

Mr. PEARKES: Does that apply only to paratroopers?

Mr. MUTCH: Tradesmen and everybody else who had special pay.

The CHAIRMAN: Can you answer that, Colonel Lawson.

Colonel LAWSON: That applies to everyone, people getting special rates of pay, trades pay, paratroopers' pay. It includes all pay and allowances.

The CHAIRMAN: The intention of this, as I understand Colonel Lawson, is that these payments shall be based on the pay and allowances the soldier, sailor or airman was receiving when he was actually with his unit, you might say. Is that the idea of it?

Colonel LAWSON: That is the idea. He is not to be prejudiced by the fact that perhaps he has been serving overseas in some special capacity, he is brought back to Canada and there is no employment for him in that capacity and he has to accept temporary employment in some other capacity at lower rates of pay and lower allowances. The purpose of this section is to protect him in that case so the gratuity will be based on his overseas rates.

The CHAIRMAN: Are there any other questions on that?

Mr. FULTON: To get this clear, I understand that the purpose is not to discuss this to-day but to go on with the Legion. However, we will have an opportunity to discuss these amendments at a subsequent time?

The CHAIRMAN: Yes. It is just to get it on the record to give you a chance to look it over.

Mr. PEARKES: Discharge unit means the depot, does it not, in the case of the army?

The CHAIRMAN: Would you answer that, Colonel Lawson?

Colonel LAWSON: Yes. It is the practice in the army to post everyone to their district depot for discharge. That is the present practice.

Mr. PEARKES: And they would be paid on the rates they were receiving before being posted to the depot?

The CHAIRMAN: That is correct, is it not?

Colonel LAWSON: Not necessarily, sir. It has now been changed to read their normal capacity or trade. As I said, a man might be serving overseas in a certain capacity and is brought back to Canada but not immediately posted to a depot. He is posted to some other position which might involve a reduction in pay.

The CHAIRMAN: Or an increase in pay?

Colonel LAWSON: Or possibly an increase, yes. Then he is posted subsequently to a depot.

The CHAIRMAN: Is it clear to the committee what the intention is? Is it not clear yet?

Mr. PEARKES: I do not think it is clear at all. What is meant by "normal rates of pay?" Surely normal rates of pay are the regimental rates of pay. An officer might be serving in a staff appointment overseas or in Canada and because he would be doing extra work in connection with the staff job he would receive staff pay. He ceases to hold that staff appointment, perhaps to come back to Canada for the purpose of being discharged. What are his normal rates of pay? Is it the staff pay or is it the regimental pay? I think to describe it as normal rates of pay is far too indefinite. It should either be the pay he was drawing before being posted to the depot or it should be the regimental rates of pay. Normal rates of pay is far too indefinite.

Mr. CROLL: What is the answer to that?

The CHAIRMAN: Can you answer that, Colonel Lawson?

Colonel LAWSON: As I recall the amendment it is the rate received by him in his normal capacity or trade.

The CHAIRMAN: We certainly do not want you to speak without looking at it. Here is a copy.

Colonel LAWSON: It is not his normal rate of pay as Mr. Pearkes says. Normal rate of pay might be considered his regimental pay, but this is the rate received by him in his normal capacity. That would be as a staff officer or as a tradesman.

Mr. FULTON: It is not "normal" capacity. That is the whole point. If it is a staff appointment then he would receive a special graded rate of pay. Your normal rate of pay is the regimental pay or pay of rank. The pay he receives as a staff officer is special pay. It seems to confuse it when you put that in.

Mr. MUTCH: I should not like to be accused of worrying unduly whether staff officers are paid on that basis or not, but I do not think that the committee should lose sight of the fact that the largest group which will be affected by what I conceive to be the proper interpretation of this is that large group which have been receiving trades pay or which have been receiving special pay and who have currently been coming back to the depot for the purpose of discharge. It is to prevent them after dropping back to regimental rates of pay being given a gratuity on that basis. They far outnumber all others, and it is exceedingly more important to them. It ought to be possible to clarify Mr. Pearkes' point without losing sight of the benefit.

Mr. PEARKES: I did not think we were discussing the correctness of it, whether this should be adopted now. We are only discussing the wording. I claim the word "normal" is very misleading. It does not mean anything.

The CHAIRMAN: I presume you were consulted in the drafting of this, Colonel Lawson?

Colonel LAWSON: The service pay authorities were consulted and they say it is workable in this wording according to their practice.

The CHAIRMAN: As a matter of fact, I would point out to the committee that it does not change any substantive rights. It determines the rate at which the gratuity is paid, and if the monthly payments are larger the gratuity will be exhausted sooner; that is all.

Mr. CROLL: No, no, Mr. Chairman.

The CHAIRMAN: That is my understanding.

Mr. CROLL: I think the section covers tradesmen, and that was the intention of the committee, but at the same time I think the matter of what "normal capacity" means, and what Mr. Fulton and Mr. Pearkes have said, is to the point. It is not quite clear to me at all. I agree with Mr. Fulton that a staff officer does not receive what we might term the normal rate of pay. He receives something in addition to that. The custom was to reduce his staff pay thirty days after he left overseas and came back here where he might be discharged or given another position. I think in fairness to these people we ought to make it clear as we do for tradesmen. It is not clear to me at all.

Colonel LAWSON: I would point out that we are bringing these words "normal capacity or trade" into two places in the Act. The first is in section 3 which is the amendment Mr. Gunn read first. That is the only place where it makes any difference in the total amount of gratuity payable. Bringing it in in section 7 makes no difference in the total amount of gratuity. It only means he gets it a little faster.

The CHAIRMAN: This amendment is clause 6.

Mr. MUTCH: We have just had both of them read.

Colonel LAWSON: When you consider it from the point of view of section 3, forgetting 7 for the moment, it is for the purpose of subsection (2) of section 3 that the pay and allowances are computed, and it is on the basis of the rates received by him when he last served in his normal capacity or trade. That is for the purposes of overseas pay and allowances. The purpose of that is if a man has served overseas as a staff officer the portion of his gratuity which is based on his overseas pay is based on his pay as a staff officer. Similarly if he served as a tradesman the pay on which his gratuity is based is his overseas service pay as a tradesman.

Mr. FULTON: In order to get this clear and avoid discussing the principle of the thing which I take it we are not trying to do now, I think it would be much clearer if you said, "establishment or ship where the member last served in his special capacity or trade", because as soon as you get a man serving as a staff officer or tradesman drawing trades pay he is serving in a special capacity. His normal capacity is private, corporal, sergeant, or lieutenant, captain, major. As soon as he gets to be a staff officer or tradesman he is serving in a special capacity. I think in this section you would make it much clearer if you said pay and allowances in issue at the unit where he last served in his special capacity or trade.

Colonel LAWSON: We have Colonel Wellwood here from the pay service. He might be able to answer it better than I can.

The CHAIRMAN: Would you explain that, Colonel Wellwood?

Colonel WELLWOOD: In practice we have been basing the supplement authorized under the existing section 6 on the tradesman's pay or staff rates

if they were in payment when the individual started on his way to a depot from what we considered his normal employment. That is for our purposes.

The CHAIRMAN: Do you see any objection to having it changed from "normal" to "special"? It would not make any difference as far as you are concerned?

Colonel WELLWOOD: It would not make any actual difference but some of them are not employed in a special capacity. Some people are not employed in a special capacity at any time.

Mr. FULTON: So he would not be receiving any special rate of pay?

Colonel WELLWOOD: No.

Mr. FULTON: Therefore he would only receive pay of rank. As to being employed as a staff officer or tradesman, without trying to be too technical, could that not be fairly described as special employment?

Colonel WELLWOOD: I do not suppose it makes a great deal of difference actually from a pay point of view. As long as we know what the legal interpretation of the section is we can govern ourselves accordingly.

Mr. QUELCH: Is there not a danger that the Treasury Board might interpret the word "normal" as not including staff pay? They seem to be the ones who do the interpreting in the final analysis.

Colonel WELLWOOD: To date, as I have mentioned, we have been including trades pay and staff pay if in effect before he started on his way towards the depot.

Mr. PROBE: From where, not before he hit any N.E.T.D. overseas?

Colonel WELLWOOD: Yes, before he hit any N.E.T.D.

Mr. PROBE: That has not been paid in all cases. I am sure of that.

Mr. HARKNESS: It has not been paid at all as far as I know.

Mr. MUTCH: I have had specific cases where it has been paid. That is why I asked the question.

The CHAIRMAN: This is a matter of draftsmanship. We are in agreement as to what should be done, so I do not think we should take any more time at it.

Mr. PEARKES: I am going to make a suggestion to eliminate the words: "in his normal capacity" up to, "as the case may be".

The CHAIRMAN: You could leave out, "in his normal capacity" so it would read, "or the country where he last served".

Mr. PEARKES: "In his normal capacity or trade as the case may be".

The CHAIRMAN: What would the effect of that be, Colonel Lawson?

Colonel LAWSON: It would have this effect. Take the man who had served overseas in his present capacity—we will say as a paratrooper—and he comes back to Canada and is appointed to some job in Canada. He may serve here or at some other job at a lower rate of pay. His overseas portion of the credit would then be based on that lower rate which he received in Canada because that is where he had last served. That was what we were trying to avoid.

The CHAIRMAN: I think it is matter of draftsmanship. I do not think we should take up time in this committee for that. We can make up our minds as to what we want and I think we can leave it to the service people and our solicitor to get together and make sure they have something that covers the point.

I see we have further representatives from the Legion with us whom we agreed to hear this morning. There is Mr. Duncan Rice, from Kalamazoo, Michigan, Chairman of the Rehabilitation Committee, of the Canadian Legion in the United States; Mr. Arthur Senior, of Detroit, Michigan, representative

of the Great Lakes Committee of the Canadian Legion in the United States, and Mr. Fred Cooper, Los Angeles, California, representative of the California State Committee of the Canadian Legion in the United States.

Now then, Mr. Herwig, do you wish to have all three of these gentlemen appear?

Mr. HERWIG: Mr. Rice will present the brief.

The CHAIRMAN: Mr. Rice, will you come forward then?

Gentlemen, this is Mr. Duncan Rice, of Kalamazoo, Michigan, Chairman of the Rehabilitation Committee of the Canadian Legion in the United States.

Mr. DUNCAN RICE, Chairman of the Rehabilitation Committee of the Canadian Legion in the United States, Kalamazoo, Michigan, *called*:

The WITNESS: Mr. Chairman and gentlemen, this is a presentation on behalf of Canadian veterans in the United States made by representatives of the Canadian Legion of the British Empire Service League in the United States of America.

The Canadian veteran returning to his home in the United States on being discharged from the Canadian services faces a serious rehabilitation problem.

As a Canadian veteran he has no benefits under the G.I. Bill of Rights which applies to United States veterans only.

He cannot demand re-employment by his former employer. He has lost any rights he had to unemployment insurance until he is again gainfully employed for a period of time, and his old age benefits have been reduced, if not entirely cancelled, because he has made no contribution during the time he has been away. As a tradesman he has lost seniority in his trade and ranks as an ordinary civilian in registering for employment with the United States Unemployment Service. The younger veterans have made no contributions for unemployment insurance or for old age benefits. Some of them discontinued their education to join the services while others had not completed their training in trades which they had started to learn. All of them are going to have to start life over again.

The Canadian government has passed voluminous legislation to take care of this situation in Canada. Unfortunately, and we believe by oversight, the various benefits conferred by the legislation which has been passed, has not—with a few exceptions—been made applicable in the United States to Canadian veterans who have returned to their homes there.

There are upwards of twenty provisions which provide for the rehabilitation of the Canadian veteran in Canada. The following are available in the United States to Canadian veterans:—

1. Clothing Allowance.
2. Rehabilitation Grant.
3. Vocational Training.
4. Educational Benefits.
5. Pension for War Service Disability.
6. War Service Gratuity.
7. Medical Service *for Pensionable Disability Only*.

Among the benefits which have *not* been extended are:—

1. Re-establishment Credit.
2. Out-of-Work Benefits.
3. Awaiting for Returns Benefits.
4. Medical Service *for other than Pensionable Disabilities*.
5. War Veterans Allowance.
6. Veterans' Dual Service Pension.
7. Benefits under the Land Settlement Act.

Many Canadian veterans have already returned to the United States and many more will return in the coming months. There is considerable unemployment in the United States now and it is daily increasing and is expected to continue to increase during the reconversion period. It is increasingly clear that immediate provision for Canadian veterans in the United States is necessary to prevent considerable suffering.

The following suggestions are submitted:—

Re-establishment Credit:

This credit could be extended to the United States for use for a number of the same purposes to which it may be applied in Canada and without raising any great administration problem, viz.:—

1. Purchase of a home.
2. Purchase of furniture.
3. Purchase of tools and equipment for establishment in business.
4. Payment of premiums under any insurance scheme established by the Government of Canada.
5. Purchase of special equipment required for educational or vocational training.

Out-of-Work Benefits

An administration problem undoubtedly arises in connection with extending these benefits to the United States at the present moment. However, there is a bill at present before the United States congress, which has already passed the United States senate, through which the Canadian government could obtain the cooperation of the United States in meeting this problem. The United States government has an office of the United Unemployment Service in convenient locations throughout the country through which it handles unemployment matters, and these benefits might be administered through that service. We suggest that Canada go definitely on record as being desirous of extending these benefits to the United States and we feel sure that such action will go a long way towards hastening the passage of the bill by the United States House of Representatives.

Awaiting Returns Benefits

The passage of the bill referred to above would make possible the administration of the re-establishment credit so that a veteran might use it to go into business with, and would also make it possible to administer the awaiting returns benefit. The United States government is administering similar items for its own veterans now.

Medical Service for Other than Pensionable Disabilities

After world war I, Canada made arrangements with the United States Veterans Administration for medical treatment in the United States for Canadian veterans with pensionable disabilities. A similar arrangement is being attempted for veterans of world war II, under the above mentioned bill. The arrangement could also be extended to cover medical attention for non-service conditions to the same extent as provided in Canada. The United States Veterans Administration has doctors located in various communities who could undertake the providing of the treatment.

War Veterans Allowance

The Canadian veteran in the United States is excluded from obtaining this allowance. The Act which grants it requires him to come to Canada and be resident there for six months before he can apply for it. This requirement is a definite exclusion. The Canadian Immigration Law will not permit a person who is indigent to enter Canada and obviously only a person who

required the pension would apply for it as there is a means test. If a veteran should manage to get into Canada irrespective of the Immigration Law he would be faced with the problem of subsistence for the six months required residence period.

This allowance is of particular importance to the older Canadian veteran resident in the United States. When granted it will only apply to a very few who can qualify under the Act. The cost to Canada would be small.

Veterans Dual Service Pension

In reality this pension amounts to an extension of the War Veterans Allowance to those who served in both world wars, the qualification of having "served in an actual theatre of war" being removed as one of the conditions of application. Our remarks with respect to the war veterans allowance applies here. The number of veterans in the United States who could qualify for this pension would be extremely small.

Benefits Under the Land Settlement Act

These benefits could be administered with the co-operation of the United States government who is administering a similar project for its own veterans.

The passage of the bill pending before the United States congress, referred to above, would cover this co-operation.

Civil Service Preference

The order in council extending the statutory preference to Canadian veterans, as drafted, bars men who came from the United States and served in Canadian forces during world war II, and became naturalized Canadian citizens. We submit this legislation was not intended to exclude men who confirmed their desire to become Canadian citizens by naturalization.

We know that efforts are being made to obtain the co-operation of the United States government to permit of the extension of the benefits to Canadian veterans resident in the United States, and are grateful to the Canadian government for its understanding attitude. We believe, however, that a definite declaration of policy covering what Canada is prepared to do for Canadian veterans in the United States will greatly assist in development of legislation in the United States.

The case of the Canadian veteran in the United States is urgent and is respectfully submitted for your favourable consideration.

DUNCAN RICE,
ARTHUR SENIOR,
FRED COOPER.

*Representatives of the Canadian Legion
in the United States.*

Mr. CROLL: That is a very good brief.

The CHAIRMAN: Thank you, Mr. Rice. Do your colleagues wish to make any statement now before questions are asked?

Mr. COOPER: I think not, thank you, Mr. Chairman. I believe Mr. Rice has covered the ground fully.

The CHAIRMAN: Are there any questions that any members of the committee would like to ask these gentlemen, or particularly Mr. Rice?

Mr. CROLL: What is the total strength of your branches in the United States?

Mr. RICE: I would think approximately between 4,000 and 4,500. That is at the present time. Of course, we are acquiring new members all the time.

Mr. MUTCH: What percentage of your members would be from the first war?

Mr. RICE: I would say most of them are from the first war. We have not taken in many from the second world war so far.

The CHAIRMAN: You are speaking, Mr. Rice, of members of the Canadian Legion?

Mr. RICE: That is right. I am talking about veterans resident in the United States who are members of the Canadian Legion. A great many more Canadian veterans are resident in the United States than there are Canadian veterans in the Canadian Legion in the United States.

The CHAIRMAN: Have you any questions, gentlemen?

Mr. BELZILE: The very first word of your brief says, "The Canadian veteran returning—"; does that mean "Canadian" within the meaning of the Act which has just been brought before the House,—I refer to the Citizenship Act—or, does it mean that it is a man who has served in the Canadian army whether he be an American, an Australian or anything else?

Mr. RICE: It refers principally to the American citizen who crossed the border and joined the Canadian services.

Mr. BELZILE: I see, thank you.

Mr. RICE: Of course, there are a great many Canadians resident in the United States who also came across the border to serve in the Canadian forces.

Mr. QUELCH: Will you agree that the conferring of these benefits on Canadian residents in the U.S.A. should probably be dependent upon the U.S.A. being willing to do likewise for Americans resident in Canada?

Mr. RICE: I think that would be a good principle to follow.

The CHAIRMAN: Is your organization in the United States working with the American representatives?

Mr. RICE: Yes sir. We are working through the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans and the Congress of the United States.

The CHAIRMAN: Are you getting good cooperation?

Mr. RICE: Yes sir.

The CHAIRMAN: We have the other members of the delegation here and we should at least have them stand up: Mr. Arthur Senior, of Detroit, Michigan; and Mr. Fred Cooper, of Los Angeles. We welcome you gentlemen most sincerely, and we are glad to have you with us to-day. Thank you very much.

Mr. GREEN: There is one question that Dr. Blair wanted to have asked but he is not back.

The CHAIRMAN: There is another question which one of the members of the committee wishes to ask Mr. Rice.

By Mr. Green:

Q. What is the present arrangement for giving medical service to Canadian veterans in the United States?—A. I think the present arrangement for giving medical service is for those with service disabilities only. That is the present arrangement between the Canadian and the United States governments.

Q. That is, a man can be treated for his pensionable disability?—A. That is right.

Q. Is it true for anywhere in the United States?—A. It is true for anywhere in the United States.

Q. Or, must he go to an American military hospital?—A. He would go to a veterans administration hospital. For example, if he were in the Detroit district, he would go to Dearborn. If he were in the Chicago district, he would

go to the Hynes hospital. In other words, he goes to the hospital nearest to his residence.

Q. There is an agreement between the American authorities and the Canadian authorities with regard to the treatment of those pensioners?

Mr. GREEN: Is it the intention of your department to make an agreement with the American authorities to provide for a year's treatment for our Canadian veterans in the United States who may need it?

Mr. WOODS: Since a reciprocal arrangement involves both parties, I hesitate to say that they will agree to this. But when the enabling authority is passed, the United States Congress will make it possible for their government to enter into reciprocal arrangements with other countries. We propose to explore this question with them and to see what measures they are prepared to administer for us, what measures are practical and what measures are impractical. But to say right now that they would be prepared to treat our men who are not pensioners, I am not prepared to say that.

Mr. GREEN: But that is not my question. I asked you whether it is the policy of your department to ask for, or to try to make arrangements with them?

Mr. WOODS: Now, any reciprocal arrangement between two countries has to be at a pretty high level. I am afraid that I cannot bind the Canadian government.

The CHAIRMAN: That is a very good answer.

Mr. GREEN: Very well. If you do not want to answer my question, let it go. It is a perfectly simple question. Is it the policy of the Department of Veterans' Affairs of Canada to ask, or to try to get this free treatment for Canadian veterans in the United States? If you are not free to answer that, all right.

The CHAIRMAN: It is a matter that is under consideration.

Mr. WOODS: I can only say that upon the occasion of our last visit to Washington, when I went down with my minister, the decision reached was that: when your enabling authority is passed, when we see that you are empowered to do certain things, then we will discuss with you what we will ask you to do. And that is the stage at present. I am not able to say that the government is willing to extend treatment for nonpensionable disabilities to that extent.

By Mr. Adamson:

Q. I would like to ask a question concerning nationality. During the war a lot of Americans came over and enlisted in our forces. In some cases, they went through a form of Canadian nationality. Does that affect their United States citizenship? I have one or two very unfortunate cases in mind. A doctor came over to Canada to enlist in the Army Medical Corps and that doctor was very seriously penalized by being unable, actually unable, to get back to the United States.—A. A great many of them came over around 1939, or very soon thereafter. Some came into the Windsor area, and many came to other border cities and adopted a Canadian address and joined the Canadian services. For some simple reason, at that time, Canada would not take them if it knew they were Americans. Later on, however, I believe they were allowed to join, but they were not required to take the oath of allegiance to His Majesty. If they did take the oath of allegiance to His Majesty, they lost their American citizenship and they would have to be repatriated. The men who did not take that oath of allegiance would have only to take a very simple declaration before a Circuit Judge, or before a Justice of the Peace, and would thereby regain American citizenship automatically.

Q. It is really unfortunate that they came over right at the beginning of the war. I remember there were a very considerable number who enlisted in all the border regiments, and they are under a rather unfortunate disability

or handicap simply because of their zeal, so to speak, for the cause. It seems to me that some clarification of their position should be made. In many cases they had established homes and were, in all physical facts, American citizens. Has anything been done about that?—A. Of course he can be repatriated in about six months. He will have to make a declaration, not the second declaration to which I referred. The man who did not take the oath of allegiance to His Majesty simply makes a declaration any day he likes, and he thereby automatically becomes an American citizen again. But with regard to the man who did take the oath of allegiance, it will take him about six months to become repatriated.

Mr. ADAMSON: That is a matter which should be discussed at some higher level.

The CHAIRMAN: Before we proceed with the bill, I have here a number of documents. There is a brief from the Canadian Fire-fighters. It is the recommendation of the steering committee that we hear them next. So, with your permission, I will now place it in the records as an Appendix. Brief appears as Appendix "B".

I also have here a submission by the Federation of British-Canadian Veterans of Canada with reference to the extension of the war veterans allowance. I see no reason why we should not put that in the record as well.

(Statement appears as Appendix "C")

With your permission we will have that printed today.

I also have received a brief from the Dominion Council Canadian nonpensioned Veterans Widows, which will, with your permission, be put in the record.

(Statement appears as Appendix "C".)

With your permission we will have that printed to-day.
flying personnel of the R.A.F. Transport Command, which we will be considering very shortly.

(Statement appears as Appendix "E")

The CHAIRMAN: Then I have a letter from the Women's Auxiliary of the Winnipeg division, R.C.N.V.R. which I think might appear in the record since it has to do with the granting of help to the families of veterans. To print it would probably be the easiest way to get it before the committee.

(Statement appears as Appendix "F")

Now, we can proceed with the actual consideration of the bill. The first section was permitted to stand. Have we come to letter (k) and letter (l)?

Mr. Mutch: What page?

The CHAIRMAN: We are speaking about the section on page 2 of the War Services Grants Act, subsections (k) and (l). Is it your recommendation that they be left out of the bill altogether?

Mr. GUNN: Yes, Mr. Chairman. We have been studying them and we are quite ready to agree that these expressions found in clauses (k) and (l) namely, "home extension loans" and "home improvement loans" are not necessary. I may say that they have come into the bill as a result of expressions which have been used in regulation 15 of the Re-establishment Credit Regulations, and as that regulation was passed for the purpose of allowing credit to be used in paying off the type of loans that are mentioned here, and as the bill now provides in section 9, subsection 1 (c) for the payment of indebtedness generally on homes, we have come to the conclusions that these two definitions can be dropped.

The CHAIRMAN: Is it the wish of the committee to drop these two definitions?

(Carried.)

Next is the definition of misconduct. Are we prepared to pass that section? Is it the wish of the committee to carry that? Subsection (o): Misconduct

includes (a) the commission of an offence under the Naval Discipline Act and under these various service acts, under which a person was found guilty by court-martial or by a disciplinary court of which he was found guilty upon summary disposition of the charge.

Mr. CRUICKSHANK: What do you mean by "summary disposition of the charge"?

The CHAIRMAN: That is the meaning in the act which governs it.

Mr. CRUICKSHANK: What I am trying to get at is this: suppose a commanding officer gives a man seven days C.B.?

Mr. MUTCH: 28 days is a commanding officer's limit.

The CHAIRMAN: Can anyone answer that question—what that actually means?

Mr. FULTON: Summary disposition, under army regulations, means those which are within the power of a commanding officer to dispose of summarily without a court martial. That might mean an award of one day or of twenty-eight days C.B.; any summary disposition. Of course, an award of detention always does carry with it a corresponding loss of pay. On the other hand, he might award the man a reprimand.

Mr. PEARKES: It is an award given by any officer who deals with the case. It may be a commanding officer or a company commander, or a general commanding formation. It is dealt with summarily by one individual officer.

Mr. CRUICKSHANK: I think that is a pretty wide power. I know that I was soaked myself for not being shaved. That is not misconduct, not being shaved. Mr. Fulton might put in one day.

Mr. CROLL: He would hardly be discharged for that.

Mr. CRUICKSHANK: Well, according to the definition of misconduct.

The CHAIRMAN: This is only something on which to base the other section which says "if a person is discharged for misconduct." As the members say, such a case as the one mentioned would hardly carry a discharge for misconduct. We have heard evidence from the armed services to the effect that they are very careful about giving a man a discharge for misconduct.

Mr. CRUICKSHANK: I know of some cases where they were not.

Mr. GILLIS: I do too.

Mr. FULTON: You have the board as presently constituted which has power to review cases where there is no prima facie evidence of misconduct. If they can look back and find some previous occasion where this man was punished and given 7 days C.B. by the C.O. on summary trial, they might say, looking back behind the allowance, "There is evidence of misconduct." I mean, it is conceivable.

Mr. CRUICKSHANK: I do not think it should be in. Take it out.

The CHAIRMAN: That is not actually the law at present, and we will be dealing with it. It seems to me that if you are going to define misconduct and leave out anything that a man might be found guilty of before the commanding officer, you might have some very serious offences omitted. It seems to me we should surely carry that definition.

Mr. CRUICKSHANK: Mr. Chairman, it is going to carry against my vote. I think everything should be struck out after the word "court." It is allowing too much power. It is all very well to say that the board will not do this, but I know of cases where they have.

Mr. MUTCH: There is another side to it. I have a good deal of sympathy with what Mr. Cruickshank says. I remember at the time the forces went to Hong Kong, for instance, a considerable number of persons were lost at the time of sailing, not able to be there and they were picked up, quite a considerable

number of them, within 24 hours. They surrendered themselves and after very long delays authority was given to deal with a number of these—I think all of them—by summary disposal. No courts were convened. The commanding officers at the depots were, by arrangement, authorized to give these men 28 days, plus the loss of pay for the day or two they were absent. I think myself—and I think this committee would agree—that it was a serious offence; but for army convenience, if you like, by arrangement summary punishment was permitted. I do not think you can treat that kind of offence casually, even though it was dealt with by arrangement in a summary fashion. I think you have to look behind the casual things and realize that there were cases of summary disposal of quite serious cases.

Mr. CRUICKSHANK: But that is altogether a different thing from giving 28 days or whatever it is to a man that might be convicted of not shaving or not having his buttons shined, on summary conviction. That is not misconduct.

Mr. GREEN: He has to be discharged for this misconduct.

Mr. CRUICKSHANK: I am not a lawyer, so I am not going to dispute with the lawyers. But I do not see why it should be in there. It would be something like the income tax. You have to have a lawyer to figure it out. If he is a good lawyer, he fixes you up all right.

Mr. GREEN: Is that not the picture, that this definition does not come into operation at all unless the man has been discharged for that misconduct?

Mr. MUTCH: That is correct.

Mr. CRUICKSHANK: No. I am not clear about that.

The CHAIRMAN: That is the understanding.

Mr. FULTON: No, not the way this bill is framed; because the board is given, under an order, power to enquire behind it, even if he was not discharged for misconduct.

The CHAIRMAN: The draft bill only gives the right to a man discharged for misconduct to apply for gratuity, and gives the power to the board to give this gratuity in spite of a discharge for misconduct.

Mr. FULTON: And also gives the board power to go behind the discharge.

The CHAIRMAN: No, it does not give that at all.

Mr. QUELCH: That is the order in council.

The CHAIRMAN: There seems to be a misunderstanding. There was a proposed order in council tabled here which was supposed to give the right to go behind a clear discharge certificate; but that is not incorporated in the law at the present time. It seems to be causing a great deal of anxiety, and I think we might as well decide that thing right out of hand when we come to that section, as to what we are going to do with the powers of this board; because once we decide that we will then know how important this definition of misconduct is.

Mr. FULTON: May I read you from page 10 of the draft bill section 12B:—

(1) The question as to whether a member is by reason of section 11 or section 12 not entitled to any benefits under the Act shall be decided in the first instance by the appropriate authority of the force to which his application is required to be made.

(2) In the event of such authorities deciding that the member is not entitled to such benefits, and in any other case in which such authorities deem fit, the application with all relevant files and documents shall forthwith be referred to the Board of Review as constituted by subsection (3) of this section.

Then under subsection (4):

(4) It shall be the duty of the Board and it shall have power to decide whether a member whose application has been referred to it under

subsection (2) of this section is by reason of section 11 or section 12 of this Act not entitled to any benefits under this Act and in considering any such application the Board may make such inquiries as it considers necessary.

It does not provide that it is only those cases where the man has been discharged for misconduct that will be referred to the board. Any cases can be referred to the board.

The CHAIRMAN: But it has never been passed.

Mr. CRUICKSHANK: No. But it is in the Act.

Mr. FULTON: My point is this. In view of the subsequent section of the draft legislation, we should take that into consideration when passing on this section which is now before us.

Mr. Mutch: The chairman's suggestion might be met, and also the objection of Mr. Fulton, which is in the minds of all of us, if we could perhaps pass to section 12 and deal with that. We had the declaration from the minister about a week ago in which he suggested departmental policy with respect to this of debarring any attempt to go behind a suitable discharge. Perhaps, Mr. Chairman, if your suggestion is adopted and we pass at once to section 12, having in mind that memorandum from the minister, we can clarify a lot of our problems or settle who goes to the board and who does not.

The CHAIRMAN: This is what I had in mind. In case it is not before the committee, the declaration of the minister is found on page 145. I will read it:

I should like to make a suggestion to the committee with regard to the proposed amendment concerning the board of review under the War Service Grants Act, to the effect that this board be reconstituted providing for appointment by the Minister of Veterans' Affairs of a representative of army, navy and air, as well as a representative of the organized veterans. This is more or less along the lines we have followed in some cases under the War Veterans' Allowance Act. I wish to suggest that the powers of the appeal board be restricted to reviewing, as I think Colonel Brooks suggested yesterday, cases that are excluded under sections 11 and 12 of the Act, and that they be given no power to review cases which are not excluded under the terms of the legislation. That is purely a matter for discussion and consideration.

May we discuss now, first of all, the question of whether it is the desire of the committee that we shall give the board power to go behind a clear discharge and whether we shall give the board power to give a gratuity even although a person has received his discharge on account of misconduct. May we discuss that now and decide on that principle? It may enable us to deal with the definition of misconduct.

Mr. CRUICKSHANK: With all due reference, Mr. Chairman, how are we going to decide what power we are going to give them unless we know what misconduct means? I think you should define what misconduct means before you pass on.

The CHAIRMAN: I would point out to Mr. Cruickshank that we took evidence here for two days as to the conditions under which discharges for misconduct were given. If you just read the evidence, you will see the conditions under which discharges for misconduct were given. Now it is proposed that the board be given power to review those cases on the application of the veteran, and give him a gratuity in spite of having a discharge for misconduct. I do not see how we can place the facts as to the grounds on which discharge for misconduct is given any more clearly before the committee than we have done already.

Mr. CRUICKSHANK: I still do not agree. I am not agreeing to have this passed over yet. Everybody knows what is happening right in Ottawa to-day.

A man is asked for his discharge papers if he wants a job, right in this very building we are sitting in; and if a man is going to be charged with misconduct for some minor detail like that I have mentioned, it may have serious consequences. We heard in the House of a case which has not been refuted yet by any member of the committee or any member of the government, where a man got 3 years—am I not correct?

Mr. GILLIS: Yes.

Mr. CRUICKSHANK: —for stealing 2 army blankets. There is no use saying they will not do these things. A man got 3 years, and I understand he is still serving 3 years for stealing 2 army blankets. If you are going to give that drastic power, let us define what misconduct means. A man might get 2 years for not shining his buttons or not shaving. You cannot get away from the fact that the case has been proved that he got 3 years. You cannot tell what this board is going to do. Nobody knows what it is going to do. You cannot tell what is in the mind of the individual members of the board. You cannot tell what is in the mind of the people who are going to refer these cases to the board. If they are going to have power to refer every case, before a man gets a gratuity, to some board because he has on his record some minor misdemeanour like not polishing his buttons or not shaving, to me it is utter nonsense.

Mr. ROSS (*Souris*): I agree with Mr. Cruickshank. I think we should be very careful right at this stage in defining what misconduct means. I have missed some of the meetings, but there is something I should like to know. I have in mind an action which took place in Italy during an unfortunate show; a group of young soldiers had a bad shaking up through no fault of their own and they were court-martialled and received a sentence of some months. Does this appear on the soldier's discharge certificate if he does finish military duty before discharge? When those boys are discharged are they given a clear sheet or is there still a stigma on the discharge certificate? Despite the fact that there must be proper military discipline, knowing those boys as I do I believe they are far more entitled to gratuities than many other young fellows that went over in a different set of circumstances. I should like to have that matter cleared up at this time and not have it left to the discretion of some board whose personnel we do not know. Mention was made of the sentence imposed for the theft of 2 army blankets. I know another young chap who had the misfortune to have one of those brass alarm clocks in his pocket as he went down the street past a policeman, and he was sentenced to 3 years. That is an unfortunate sentence. I should like to have a statement with regard to this thing. With regard to those boys overseas, it was not their fault they got such a shaking up, yet they were court-martialled. I am not saying they should be completely exonerated or anything like that, but I should like to find out the way that this appears on the discharge certificate. That is something we have to be careful about. Can anybody tell me whether that is right or wrong, or what their status is when they are discharged?

Mr. MUTCH: Of course, it will be on the certificate. But may I point out—

The CHAIRMAN: May I try to bring this thing to a conclusion. Mr. Ross says he was not here. We spent considerable time on this, and I suggest that it is quite clear that whatever is on the discharge certificate, the man can apply; the minister's statement was that, whatever is on the discharge certificate, the man can apply; and this board can rule, if they think it is proper to do so, that he get a gratuity anyway. It is not our duty in this committee to decide whether the armed forces treated their people, while they were in them, properly or not. That is why I suggest that any argument about whether men received too much punishment or not is not before this committee.

Mr. ROSS (*Souris*): Can you tell me what it says on the discharge certificate, whether it records every little sentence? I am not clear on that point.

Mr. Mutch: Excuse me, Mr. Chairman, but I think I can answer that. No man who was demobilized in the ordinary course of events is discharged for misconduct. The man who was discharged for misconduct, having been a man receiving a conviction in court and going to jail, if he is discharged while he is in jail, he is discharged for misconduct. But if he served his sentence, resumed his service and came back and was demobilized in the ordinary way, I know of no case—and I think no case exists—where that man is discharged for misconduct.

Mr. BENTLEY: He gets an honourable discharge under those circumstances.

Mr. Mutch: That might be corrected on that, but I think I am right, that no man who is demobilized in the ordinary way is discharged for misconduct.

Mr. BENTLEY: Let us hear some army authorities on that.

The CHAIRMAN: I think we did cover that when the armed forces were here. We can go back over it, but if we are going to have to go back over these things for people who, for reasons that are quite valid, have not been able to attend the committee meetings, it will take a great deal of time. It is all in the record here. The grounds on which discharge for misconduct is given are set out. However, we can go back over it.

Mr. CRUICKSHANK: That is not the point at all.

The CHAIRMAN: What is the point?

Mr. CRUICKSHANK: I have attended every meeting, and I heard this explanation of misconduct as given by the various authorities. As a member of this committee I do not necessarily have to take their definition. As I see it our duty here is to tell them what the definition of misconduct is. I have attended every meeting; I have read the records. You apparently have not read them. What I want to get at is are these minor details to be classed as misconduct? Do not tell me what this witness said or what they are going to do. I heard it all. You do not know, I do not know, and nobody else knows what their ruling will be, and should not know, else why have a court of appeal? In my opinion this makes it that any minor conviction can be put down as misconduct, and I object to you trying to force me on to some other paragraph until I am satisfied with this definition.

The CHAIRMAN: Just to clear it up I would refer you to page 175 of the evidence which shows the grounds on which discharge for misconduct is given. If it is necessary for us to read that again we can do so. Page 175 of the evidence gives the grounds on which they are discharged for misconduct, and it says, "Having been convicted by the civil power during his service." The person who authorizes the discharge is the district officer commanding, and the person who carries it out is the commanding officer.

Every conviction of an offence of a felonious nature will be referred to the district officer commanding.

It goes on to outline the conditions on which it is given. Then it goes on to give the next ground as being "for misconduct". The person who authorizes the discharge is the district officer commanding and the person who carries it out is the commanding officer, and the special instructions are:

Application accompanied by field conduct sheet (or copy) and copies of civil conviction to be made to the district officer commanding who will authorize the discharge if he thinks it desirable to do so. It will be stated if the man is thought to have misconducted himself with a view to discharge. In case of conviction by court martial or by civil power, in consequence of which the discharge of the man is desirable, the applica-

tion will be made as soon as the man is sent to prison. The discharge certificate confirmed from the date of despatch will be sent to the governor of the prison in which the man is confined.

There are the conditions under which a man is discharged for misconduct. Applications must go before the district officer commanding. If any member of the committee wants to examine the military authorities further on that they are here.

Mr. CRUICKSHANK: I should like to ask the military authorities what their definition is of summary disposition of the charge? You have not mentioned that at all.

The CHAIRMAN: That, of course, is something which one of you gentlemen may be able to answer.

Colonel LAWSON: Summary disposition is disposition by the commanding officer rather than by court martial. Commanding officers have certain limited powers to punish men serving under their command. It is called summary disposition when the commanding officer deals with the charge himself.

Mr. CRUICKSHANK: Then I might ask how low a rank of commanding officer can it be, and how low a sentence in the case of summary disposition of the matter?

Colonel LAWSON: The sentence is a very nominal sentence, confined to barracks, seven days, confined to barracks, or something of that nature.

Mr. CRUICKSHANK: I want that down. Seven days is the minimum?

Colonel LAWSON: Not the minimum.

Mr. CRUICKSHANK: What is the minimum? What I am trying to get at is the minimum. Can a case be shown as misconduct if it is only one day C.B? That is what I am trying to get at. I am not a lawyer and I do not know the legal terms.

Colonel LAWSON: Punishment given by the commanding officer has nothing to do with the discharge or otherwise.

Mr. CRUICKSHANK: I am not talking about discharge. I am talking about the definition of misconduct.

Mr. FULTON: Anything other than dismissal of the case will appear on the conduct sheet as a sentence for misconduct of some sort or other so if he gives him imprisonment of one day it appears as a sentence for misconduct. The only thing that can wipe out the charge is to dismiss the case.

Mr. CRUICKSHANK: That is what I am trying to get at. I do not think the army has changed that much since the last war. The fighting services are still the fighting services. It was one day in the last war and it appears to be the same this time. Summary disposition of the case can be one day confined to barracks which is misconduct. There is nothing there in all the evidence you read from the minister or the other officials to dispute that, and the military authorities here admit that one day's confinement to barracks means misconduct.

Mr. QUELCH: There is one thing that the evidence you read did not deal with. There is this point; if a man is not discharged at the time he commits the offence but carries on to the end of the war and then is demobilized in the ordinary course of events would it be possible for it to read on account of misconduct?

Mr. MUTCH: No.

Mr. GILLIS: Personally I do not agree with the section on misconduct being in the Act at all. The discussion so far has all centred around the payment of gratuity. I am not concerned about that aspect of the matter at all. What I am concerned about is when a man comes out of the service with a misconduct discharge it is a life sentence.

Mr. CRUICKSHANK: Hear, hear.

Mr. GILLIS: It precludes that boy or girl—and there have been girls discharged for misconduct—from getting employment anywhere in this country. That is the serious aspect of the matter. It has been suggested that all of these court martials and discharges have been very carefully considered and we are led to believe by the discussion that nobody is let out unless it is a very serious offence. I have several cases, and I have seen court martial proceedings, where the reverse is true.

For example, just a few days ago I met a young naval boy who had five years' combat service in the navy. His ship came back to Newfoundland. The war is over. He was sent on duty and he was under the influence of liquor at the time he was put on duty. Later he was taken and charged by his unit commanding officer, the man who put him on duty in that condition, with misconduct. He went into the hospital in Newfoundland and was discharged from the service while in hospital. He comes back to his home and is refused the gratuity. His wife and two children lose their allowance. He tries to get employment through the rehabilitation office in Sydney, Nova Scotia, where this matter was brought to my attention, and he is told by the rehabilitation officers that he is not entitled to any consideration by way of vocational training and all the rest of it. What is so absolutely unfair in a case of that kind is that if he were a civilian and had no service whatsoever for an offence of that kind he would pay perhaps a fine of \$5 and that would be the end of it, but after five years' combat service he is fined all of his gratuity, his dependents' allowance and he is sentenced to the stigma of an ordinary convict, because that is exactly what happens the ordinary convict. He has got a discharge that he has to show everyone who wants to employ him that he was discharged from the service for misconduct. The reason why is not there at all so that fellow is in the middle of the road without any possibility of employment. The matter referred to by Mr. Cruickshank a moment ago of the two army blankets is another case that was specifically brought to my attention. That boy went all through Italy and Germany. After the war was over he picked up a couple of blankets. In civilian life that would not be very serious but he is fined his gratuity, loses all of his service. He has got a misconduct discharge, and he has a wife and a couple of children. I could go on reciting cases of that kind. A lot of these boys were sentenced overseas. They are back in Canada. They are taken to their depot and are discharged at their depot and sent to a civilian prison to complete their sentence. They come out of that as a convict. In the meantime some of them have wives and children that are still waiting for the allowance and have no income after all these years of combat service on the part of their husband. As I understand it if this is left in the Act it is a wide open thing and a commanding officer may chuck you out of the service for any reason. You may have half a dozen small convictions that do not amount to anything. Nevertheless they add up, and if your sheet shows you have got several convictions for misconduct, no matter how small they were, that back log is taken and you can be thrown out of the service.

I am not concerned about the gratuity at all. It is not a matter of maybe \$200 or \$300. I am thinking of that fellow in terms of five, six or ten years from now with a sheet of that kind where he cannot get any employment. Mind you, a lot of these boys are very efficient boys. There is nothing wrong with them. They just happened to make a slip, a slip that would not mean anything in civilian life. If it is left as it is now the Board of Review is in this position, that there is the legislation defining misconduct and if a man is thrown out for that reason according to the Act, the board is in a position that all they can do is to say, "The legislation has been confirmed; we have no right to question the sentence and the gratuity is out." There is no other road that board can travel.

Mr. GREEN: You are wrong there.

Mr. MUTCH: Some have been given their gratuities.

Mr. GILLIS: That may be the theory of the thing when you set the board up, but we have not seen it working yet.

Mr. MUTCH: It has been working for weeks. We had evidence on that. It has been working for a month and a half. Some two thousand of them have been given gratuities.

Mr. GILLIS: That is quite all right from the gratuity standpoint.

The CHAIRMAN: I can see that your difficulty is you have been away and have not heard the evidence. With all deference I do not think it is fair to the committee that you should take up time dealing with a matter on which evidence has been given. The evidence which has been given is that discharges are not given for the reason you suggest. We had the army, navy and air force authorities here. They say if a man is a good fighting man he is not discharged for misconduct even if he has got a misconduct sheet a foot long, as I think the word was. It is initiated in the platoon and goes through his commanding officer.

Mr. CRUICKSHANK: But it is discretionary.

The CHAIRMAN: It goes finally to the D.O.C. and they study the matter very carefully as to giving a discharge for misconduct. They also admitted that in the case of all human affairs perhaps sometimes a mistake might be made. They said that they are very careful not to give a discharge on the grounds of misconduct. They have also given evidence that under this Act they have reviewed cases where there has been a discharge on the ground of misconduct and that large numbers have been granted their gratuity in spite of having discharges for misconduct.

Mr. GILLIS: I told you a moment ago—

The CHAIRMAN: So when you stand up and say they are bound by the Act and they have to refuse the gratuity you are saying something that is contrary to the evidence.

Mr. GILLIS: I am not concerned about the gratuity.

Mr. FULTON: Then talk about it somewhere else.

The CHAIRMAN: Then if you are not concerned about the gratuity and wish to discuss something else I must rule you out of order because we are discussing gratuities. We are not discussing discharges from the army and the grounds on which they should be given.

Mr. CRUICKSHANK: On a point of order, we are discussing definitions, not gratuities at all. We are discussing definitions right now.

Mr. GILLIS: Might I be permitted to finish?

The CHAIRMAN: There is a point of order here, of course, but I do not want to shut off the discussion.

Mr. CRUICKSHANK: I rise to a point of order. Just a minute; on a point of order, the chairman said we were discussing gratuities—you sit down, too.

Mr. PEARKES: I was standing up before you were. May we get back to this definition, please. I submit that is nothing more than a statement of fact, either a man may be discharged by order of court martial or by a summary decision by a competent authority appointed so to do. That fact remains.

The CHAIRMAN: It does not even go that far.

Mr. PEARKES: That definition remains so let it stand.

Mr. GREEN: I think perhaps we might get this question settled more quickly if we referred to the recommendation Brigadier Topp made himself as to the powers he would like to see given to his board of review. This will

be found on page 164. He suggested that there be added as new subsection 5 of the section 12 (b):

The Board may, with the approval of the Treasury Board, exempt any person from the operation of section eleven or section twelve of this Act in any case where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act.

And now that, of course, enables the board to override nearly all your criminal convictions, provided they feel that the man was a good soldier. I have the greatest confidence in Brigadier Topp. He was chairman of the War Veterans Bureau here for many years and he has a distinguished record both in the last war and in this one; and I think that it is impossible for this committee to draw up too fine lines. We cannot define "misconduct". Somebody somewhere has to have discretion; and I do not think you can have a better authority than to have the discretion in the hands of Brigadier Topp and his board.

Mr. MUTCH: Hear, hear.

Mr. GREEN: Provided they have the right to be square with the soldier, I think they will do that. I think actually they have already done that, regardless of how the Act reads. But there is one thing here with which I would not agree. It says, "with the approval of the Treasury Board". I do not think that should be there, because that means that in every single case the soldier has to run the gauntlet of the Treasury Board; and it is very unfair I think that these men should have to face that. That should be deleted. I think probably if the committee will consider the suggestion made by Brigadier Topp you will see that it will give him the power to do the fair thing. He did go on to suggest another amendment with which you might agree, although there is not quite as good a case for it. He suggested as subsection 6:

Notwithstanding any stated reason for discharge the Board may decide that a member is not entitled to any benefits under this Act, if, in the opinion of the Board, the conduct of the member was such that the appropriate naval, military or air force authorities might have discharged him for misconduct.

Now, that would cover the case where a man has committed a very serious offence and has been discharged for some reason other than misconduct; for example, on physical grounds, or something of that type. The commanding officer may have discharged him in that way in order to let him out lightly when possibly he should have been discharged for misconduct; and the board are asking that they be given power to take away that man's right to gratuity. And now, it is up to the committee to decide whether or not they think that is going too far. But I do think that the first suggestion, the new paragraph 5, meets the situation very well. Personally, I would be in favour of seeing an amendment of that type in the Act, provided the words "with the approval of the treasury board" are deleted.

Mr. MUTCH: In support of what Mr. Green has said, he makes it much more clear than I did the other day, or than I did when I suggested a few moments ago that we dispose of this matter by dealing first with section 12 and the recommendation from the minister as to the matter of policy they were prepared to adopt. This proposal by Mr. Green does just what I had it in mind to do, in that it enlarges the board and gives them power. I understand that amendment has not been drafted yet. I do not think the amendment proposed to that memorandum has been drafted yet, has it, Mr. Chairman?

The CHAIRMAN: If we pass this to-day we could have it drafted and presented to the committee to-morrow.

Mr. MUTCH: I objected the moment I heard it to the introduction of the treasury board. I was one of those who fought for about eighteen years to get them out of pension legislation and I certainly do not want to see them come back. I agree with Mr. Green with respect to clause 6, where discharges are given on medical grounds and so on; I want to state frankly that I think the suggestion he makes, that we give these fellows a break and that we let them keep it, is a good one. I do not think it is necessary to deny this board the power which they ask to go behind a discharge; and I do think if we could get a draft of legislation which would replace section 12 in the terms of this amendment, which has been agreed to in principle by the minister already, that we would solve the problem of misconduct with respect to discharges. I do not think any of us need to stand up and ask for a sympathetic attitude towards the men who have been discharged. The other thing, of course, is something with which I do not think we can deal; the wording of the discharge certificate itself. That is something which this committee will have to consider seriously in conjunction with this or some other legislation.

The CHAIRMAN: May I correct a statement I made. The solicitor draws my attention to it, and I remember now, that he read into the record a proposed amendment to subsection 5 which reads as follows:

(5) The Board may exempt any person from the operation of section eleven or section twelve of this Act in any case where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act.

I take it, Mr. Mutch, that you had in mind moving this amendment, if it had to be moved.

Mr. MUTCH: Yes.

Mr. GREEN: That is Brigadier Topp's amendment?

The CHAIRMAN: No, this is the suggestion of the solicitor.

Mr. GUNN: I might say, Mr. Chairman, that I put that into the record the day before Brigadier Topp appeared, and he practically duplicated it.

Mr. QUELCH: Would you read that motion again, please?

The CHAIRMAN:

The board may exempt any person from the operation of section eleven or section twelve of this Act in any case where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act.

Mr. MUTCH: I would so move.

The CHAIRMAN: It has been moved by Mr. Mutch that this be added as subsection 5 to section 12 (b) of the proposed bill.

Mr. GREEN: That is word for word with Brigadier Topp's amendment—the treasury board is deleted.

The CHAIRMAN: Yes. The solicitor prepared this and put it in our report.

Mr. CROLL: I would second that motion.

The CHAIRMAN: It is seconded by Mr. Croll. Is there any discussion?

Mr. PEARKES: Are you ready for discussion on that now?

The CHAIRMAN: Yes.

Mr. PEARKES: I think it is piling up a large number of cases on this board, and I believe we could go very much further than that and say any man who was discharged dishonorably for a military offence did not need to have his case brought before the board at all. Simply mark the whole thing off. I do not think it is worthwhile. Take the case of a serious military offence—say a corporal strikes an R.S.M.—that is looked upon as a serious military offence

during war, when a man is sober. An offence of that kind in civilian life would carry with it a very small fine. I do not believe it is necessary at all to submit to this board any offences which are of a purely military nature. Let the board confine itself to dealing with those cases which have been tried in a civil court. Otherwise all of these matters, all these cases, will be referred to Brigadier Topp's board and there will be days, and months and years perhaps of delay before the man can get his case heard. As soon as a man gets out of the service is when he needs his rehabilitation pay more than at any other time.

Mr. GREEN: May I ask Mr. Pearkes whether he would extend that to cases of desertion overseas?

Mr. PEARKES: I would understand that to cover all military crimes as such.

Mr. QUELCH: I agree entirely with the statement made by General Pearkes, because when a man in the army commits an offence and he is court-martialed he is at that time given the punishment which is supposed to meet the crime.

Mr. CRUICKSHANK: Hear, hear.

Mr. QUELCH: And it was not the intention at that time later on to increase that punishment by depriving the man of large sums of money, as will be the case if this section goes through without amendment.

Mr. CRUICKSHANK: That is right.

Mr. QUELCH: I think we should recognize the fact that the punishment meted out by the court martial was sufficient to meet the crime committed without further punishment. On the other hand, this section having been wiped out, I would agree to the principle that the commanding officer of the unit on which the man served having the power to recommend certain action where a man has been discharged on grounds of dishonourable conduct. That is only serious crimes should be referred to this board for investigation. No man should be deprived of his benefits automatically, as will be the result of this Act as it now stands, unless first of all a recommendation is put in by the commanding officer to have that case referred. In a case where the crime was of a lesser degree, he would be awarded his benefits without any question; but if the offence had been a major one they might, for instance, make a recommendation that his case be referred to the board for investigation. That is as far as I would go. In other cases I think a man should automatically get his full benefits no matter what his crime was because he has already been punished for it.

Mr. GILLIS: May I ask Mr. Woods a question? Providing the board of review decides to reinstate a claim that came before it and they state that gratuity should be paid, does that automatically reinstate that particular service person to all the rights of rehabilitation?

Mr. WOODS: It does not of necessity automatically reinstate him, because each of these measures, enactments, presumably must stand on its own feet as parliament enacted them. But as a matter of actual interpretation, when it says a man shall have been discharged otherwise than dishonourably he is entitled to so-and-so, as an administrator I would take the view that if the board of review, having recommended that because they considered he is entitled to the gratuity I would take the view that he would be entitled to the others; although I acknowledge it is stepping out on a limb probably to do so. I would take a chance on that as an administrator, and I would say that apparently the board of review did not take the same view of this man's misconduct, and therefore he would be entitled to the other benefits.

Mr. MUTCH: It is quite a strong limb.

Mr. PROBE: Is there an amendment before the committee at the moment?

The CHAIRMAN: The amendment is that the board be given the power to exempt any persons from the operation of section 11 or section 12 of this Act in any case where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act.

Mr. PROBE: And there was the suggestion of Mr. Pearkes; did you intend to move that as an amendment, sir?

Mr. PEARKES: I will move an amendment to the effect that discharges for military crimes would not be referred to the board and that the soldier who served would receive his gratuities automatically.

Mr. CRUICKSHANK: I will second that.

Mr. PROBE: May I just word that for you, sir? I have prepared an amendment which is substantially what General Pearkes had in mind, I think. If he does not mind I will read my proposed amendment: that all the words after the word if in section 11 and section 12 be struck out—that is in the third line of the section—and that we substitute for that these words “after the date of the commission of any offence for which”. That is section 11 and section 12 on page 9. I believe that gives the spirit of what you had in mind.

The CHAIRMAN: It is not clear. Would you just read that again?

Mr. PROBE: That is in the third line of section 11 and the second line of section 12. The word “if” should be struck out and these words substituted, “after the date of the commission of any offence for which”. I believe that that would give the intent; so that a man who had served for some period of time properly, that is as a proper soldier, would then get this pay for that period.

Mr. MUTCH: Will you read the whole section as amended?

Mr. PROBE: Yes. I will read section 11:

No officer and no warrant officer of the naval forces, and no officer of the military or air forces, shall be entitled to any benefits under this Act”—here is where the change comes in—“after the date of the commission of any offence for which since the tenth day of September,

and so on.

Some Hon. MEMBERS: No.

Mr. ROSS (*Souris*): I think Mr. Pearkes put it much more clearly than you are putting it now.

Mr. MCKAY: That does not cover it.

Mr. MUTCH: No.

Mr. ROSS: (*Souris*): It may need to be added to, but I think Mr. Pearkes is quite clear in what he wants.

The CHAIRMAN: I should draw to your attention the fact that we have many troops serving overseas. The suggestion that they could desert and then draw their full gratuities and that this parliament has taken that attitude at this time when we have over 100,000 troops overseas, might create a very difficult disciplinary problem.

Mr. QUELCH: On the other hand, could it not mean that the penalty to be awarded to that soldier who might do that would be that much heavier to take care of it?

The CHAIRMAN: If it became known that the troops serving overseas could desert and then come back to Canada and draw their full gratuity—

Mr. CRUICKSHANK: They would all start for home this afternoon.

Mr. QUELCH: A man might be given ten years in jail.

The CHAIRMAN: No, that would be a military offence.

Mr. VIAU: Does that not bring us right back to where we first started, to the question of whether these gratuities were to be considered as rewards or simply re-establishment items? I have been waiting to discuss that very principle. If we had established that principle from the start a lot of this discussion would have been unnecessary. I am in full agreement with what Mr. Pearkes has said. I would go so far as to say that these gratuities should be considered on the rehabilitation basis and given to everybody, and I would eliminate all this red tape and all these different boards that we are setting up. We are going to get tangled up in a lot of regulations and red tape. I would be agreeable to leaving out those who committed military crimes. I think that this amendment intends to give the benefit to all those who served except those who committed military crimes. That is more or less the intent of the amendment. I still hold the view that these gratuities are gratuities for the re-establishment of the men, and all the men need them. It is part of our post-war economic system. I think we should not lose sight of that and that we should stick to that point and not get involved in using gratuities and credits for disciplinary purposes, or for rewarding services. I would say that it is the general opinion here, or at least the opinion of many, that they should not be used as punishments; and if they are not used as punishments, then they cannot be used as rewards. Therefore, they become re-establishment credits.

Mr. BENTLEY: Since it is getting very close to closing time and since this is a serious matter and I imagine that everybody is pretty uncertain as to what to do about it, and in view of the fact that Mr. Pearkes' amendment is not clear, might I ask that this matter be left over so that the committee may give the amendment further thought?

The CHAIRMAN: I would point out to Mr. Pearkes that under military law every civil offence is also a military offence and that quite often a person abroad is tried by the military courts for the commission of a civil offence. It seems that it is going to be very difficult to sort them out by legislative enactment.

Mr. PEARKES: Why not just say "all offences"?

The CHAIRMAN: I just wish to make it plain to the committee that there is an amendment moved by Mr. Mutch that we add to the act that the board can give a gratuity in the case where there is a discharge for misconduct.

Mr. CRUICKSHANK: I would like to move that we adjourn. That is a motion which is not debatable.

The CHAIRMAN: Your motion is out of order.

Mr. CRUICKSHANK: I am not out of order.

The CHAIRMAN: I wish, Mr. Cruickshank, that you would please permit the committee to proceed. It is understood that Mr. Pearkes is going to bring in an amendment to this amendment and, on that basis, we will now adjourn until to-morrow at 10.30 o'clock.

The committee adjourned at 12.55 to meet at 10.30 a.m.

APPENDIX "A"

W/12

P.C. 6282

AT THE GOVERNMENT HOUSE AT OTTAWA

WEDNESDAY, the 27th day of NOVEMBER, 1940.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas under the provisions of Order in Council P.C. 4068½, dated the 8th December, 1939, there was constituted a Special Committee of the Cabinet to procure information respecting, to give full consideration to, and to report regarding the problems which will arise from the demobilization and discharge from time to time of members of the forces during and after the conclusion of the present war, and the rehabilitation of such members into civil life;

And whereas under the provisions of Order in Council, P.C. 5421, dated the 8th October, 1940, a General Advisory Committee was constituted pursuant to the provisions of the aforesaid Order in Council, P.C. 4068½, whose functions it would be to take into consideration those matters assigned to the aforesaid Special Committee and to submit to such Special Committee of the Cabinet such reports and recommendations respecting information received and consideration given, and the plans formulated, as might seem to the General Advisory Committee necessary to keep the Special Committee of the Cabinet informed in respect thereto;

And whereas the Minister of Pensions and National Health reports that he, Convener of the aforementioned Special Committee of the Cabinet, has received the attached report and recommendations from the Chairman of the General Advisory Committee which, after mature consideration, have been approved and are now recommended by the Special Committee of the Cabinet;

That notwithstanding that the report and recommendations of the General Advisory Committee quite properly concern only former members of the forces who served or may serve during the present war, it is considered that such advice, services and assistance as is recommended in the report aforementioned should be equally available to those persons who served with the forces during the Great War, and who may not have been successfully re-established in civil life.

And whereas the Department of Pensions and National Health Act, Chapter 39 of the Statutes of 1928, provides that the Minister of Pensions and National Health shall have the management and control of all such matters as are assigned to him from time to time by the Governor in Council relating in any way to the care, treatment or re-establishment in civil life of all persons who, since the 1st day of August, 1914, served in the Naval, Military or Air Forces of His Majesty, or any of His Majesty's Allies, and to the care of the dependents of such persons;

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Pensions and National Health, and by virtue of the authorities aforementioned and under and by virtue of the War Measures Act, Chapter 206, R.S. 1927, and notwithstanding anything to the contrary contained in any other Act or Regulation, is pleased to order and it is hereby ordered as follows:—

1. There shall be in the Department of Pensions and National Health a Division to be known as the Veterans' Welfare Division, the functions of which shall be to advise and assist former members of the forces in matters pertaining to re-establishment in civil life, and to perform such other duties as may be prescribed by the Minister of Pensions and National Health relating to the welfare of such former members of the Forces and, for greater certainty, but not so as to restrict the generality of the foregoing, such Division shall be charged with the following specific duties:
 - (a) To establish sub-divisions at such points throughout Canada at which the Department of Pensions and National Health maintains offices and/or where the establishment of such sub-divisions is deemed to be advisable;
 - (b) To interview, advise and assist former members of the forces;
 - (c) To become conversant with all the regulations relating to pensions, allowances, medical treatment, employment, training, social welfare, aids, housing scheme, land settlement, and all policies that may be of assistance to such former members of the forces;
 - (d) To make a study of all occupational opportunities in the several areas at which sub-divisions may be established pursuant to the provisions of sub-paragraph (a); to encourage employers to re-employ persons who, previous to their enlistment, were in their service; to endeavour to secure preferences in employment for former members of the forces, to co-operate and keep in constant touch with the Employment Service in Canada in regard to available employment.
 - (e) To secure information through the Department of National Defence with respect to members of the forces arriving in the several areas for discharge and to arrange for notification to be sent to their families and to encourage voluntary local committees to welcome them on arrival;
 - (f) To maintain contact with veterans' organizations for the purpose of fostering interest in the rehabilitation of former members of the forces and to keep in touch with educational activities of the Canadian Legion War Services and other bodies designed to assist members of the forces;
 - (g) To develop good public relations by the maintenance of contact with the press regarding the civil re-establishment of former members of the forces;
 - (h) To report to the General Advisory Committee on the activities and requirements in each district and on the results attendant upon the operation of such policies as may be planned or operated for the purpose of re-establishing former members of the forces in civil life.

All expenditures made under this Order shall be paid out of moneys to be allotted to the Department from funds provided under the War Appropriation Act.

In this Order unless the context otherwise requires, "Former member of the forces" means any person who, since the 1st day of August, 1914, served in the Naval, Military or Air Forces of His Majesty, or in any of the forces of His Majesty's Allies.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

The Honourable
 The Minister of Pensions and National Health.
 P.R. 10684.

A8.

P.C. 8892

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, the 24th day of NOVEMBER, 1944.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas by Order in Council P.C. 8404, of the 1st November, 1944, the Minister of Veterans Affairs is authorized to appoint local, regional or provincial honorary advisory committees to examine applicants and applications for re-establishment credits available under the War Service Grants Act, 1944, and to advise and report in respect thereof, and to pay to each member of any such committee so appointed, the sum of \$10 per day as an honorarium for each whole day spent by such member in the business of the committee;

And whereas the Minister of Veterans Affairs reports that it is deemed expedient to provide that payment of the honorarium aforesaid shall be authorized when part only of a day is spent by a member of any such committee in the business of the committee;

Now therefore His Excellency the Governor General in Council on the recommendation of the Minister of Veterans Affairs, is pleased to amend Order in Council P.C. 8404 of the 1st November, 1944, and it is hereby amended, effective the first day of November, by revoking Regulation No. 2 and substituting the following therefor:—

2. The Minister of Veterans Affairs is hereby authorized to pay to each member of any such committee so appointed the sum of ten dollars per day as an honorarium for each day or part of a day spent by such member in the business of the Committee.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

P.R. 15,849.

A13

P.C. 8944

AT THE GOVERNMENT HOUSE AT OTTAWA

MONDAY, the 27th day of NOVEMBER, 1944.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas the Minister of Veterans Affairs is named as Minister in the War Service Grants Act, 1944;

And whereas it is deemed expedient that the Minister of National Defence, the Minister of National Defence for Naval Services, and the Minister of National Defence for Air be designated to pay the gratuities set forth in Part I of the said Act;

And whereas Section 24 of the said Act provides that the Governor in Council may make regulations governing all matters relative to the manner of payment of gratuities;

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Veterans Affairs, and pursuant to the provisions of Section 24 of the War Service Grants Act, 1944, is pleased to order

and doth hereby order that the payment of gratuities, under the provisions of Part I of the said Act and of such other sections of the said Act as apply to the payment thereof, be made by the Minister of National Defence, the Minister of National Defence for Naval Services, or the Minister of National Defence for Air, as the case may be; Provided that any regulation under Section 24 aforesaid in respect of the manner of payment of gratuities shall be made upon the recommendation of the Minister of Veterans Affairs with the concurrence of the Minister of National Defence, the Minister of National Defence for Naval Services, and the Minister of National Defence for Air, or one or more of such Ministers.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

P.R. 15,871

DP/7

P.C. 3168

AT THE GOVERNMENT HOUSE AT OTTAWA

TUESDAY, the 1st day of May, 1945.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas the Minister of Veterans Affairs, reports that, inasmuch as members of His Majesty's Forces, other than the forces of Canada, who were domiciled in Canada on the date of their joining such forces for the purposes of the present war, may, if domiciled in Canada following their discharge from such forces, qualify under the various rehabilitation measures primarily designed for the benefit of former members of the Canadian forces, other than the measure which provides for treatment commencing within the year immediately following their discharge or treatment required during a course of training or instruction or required for rehabilitation purposes, it is considered that such treatment, as may be extended under the provisions of Class 3 of the regulations concerning medical treatment by the Department of Veterans Affairs established by Order in Council of 13th June, 1944 (P.C. 4465), as amended, should be made available to such members of His Majesty's Forces if domiciled in Canada at the time of application for such treatment;

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Veterans Affairs, and under the authority of the Department of Veterans Affairs Act, is pleased to amend the said regulations and they are hereby further amended by inserting the following paragraph after the third paragraph of Class 3 thereof and before the words "Subject to the following conditions";

And for the purpose of this Class "former member of the forces" shall include a former member of His Majesty's forces, other than the forces of Canada, who was domiciled in Canada on the date of joining such forces for the purpose of the war with the German Reich, and is domiciled in Canada at the time application for treatment in this Class is made;

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

P.R. 16687

APPENDIX "B"

THE COMPLETE BRIEF AND RESOLUTION OF THE CORPS
OF CANADIAN FIRE FIGHTERSTHE TORONTO AND DISTRICT BRANCH OF THE CORPS OF CANADIAN
(OVERSEAS) FIRE FIGHTERS

DICK HAKE, Chairman, 826 Carlaw Ave., Toronto.
 TOM KENDALL, 13 Selwood Ave., Toronto.
 JIM GOW, 370 Montrose Ave., Toronto.
 TOM HOGG, 29 Burnfield Ave., Toronto.
 A. BLACKBURN, M.M., 98 Billings Ave., Toronto.
 DICK WOOD, 582 Eglinton Ave. W., Toronto.
 DAVE MAXWELL, 112 Withrow Ave., Toronto.
 HERB MAGILL, Sec. Tres., 198 Gladstone Ave., Toronto.

RESOLUTION OF THE CANADIAN CORPS OF FIRE FIGHTERS

Whereas the members of the Canadian Corps of Fire Fighters at the request of the Dominion Government, voluntarily agreed to serve for the duration of the war under disciplinary regulations and other conditions similar to the Military Forces to assist the United Kingdom in combating fires arising from air raids and did so serve under extremely hazardous circumstances;

That such members while serving were paid pay and allowance equivalent to those paid members of the Military Forces;

That such members are now entitled to civilian clothing allowance, transportation home, and benefits of the Reinstatement in Civilian Employment Act on ceasing to serve, and are eligible for pension in respect of disability or death on the same terms as members of the Military Forces and Hospitalization and treatment for a pensionable disability;

Now, therefore, be it resolved that in fairness to the members of the Canadian Corps of Fire Fighters, in view of the conditions of service, terms of engagement and basis of remuneration they be granted ALL the rights and privileges of the Military Forces.

FACTS CONCERNING THE CANADIAN FIRE FIGHTERS

The Corps was organized at the request of the British Government to the Canadian Government. It was composed solely of volunteers who volunteered 100 per cent for overseas duties, a fact that was not existent in the Canadian Active Army. We enlisted at a time when more English firemen had been killed than English soldiers. We travelled aboard troop trains and ships and acted as provost on board, being in charge of prisoners.

We were not allowed to resign but could transfer to any of the other services. We were under rules and regulations re-pay and allowances, discipline, treatment and other such matters, the same as the other forces. We were forced to serve our officers in their mess and if we refused we were reduced in rank. We were forced to salute our officers also. Whenever we worked with the army, we saluted their officers also. We could be ordered to any part of Britain or

to any ships at seas to do fire fighting, rescue or salvage work. We wore "Canada" shoulder patches.

We were stationed in the most precarious spots. The ports from which the invasion began. When things were not going right in 1942 and the chance of invasion was great, the Canadian Fire Fighters were, with others, chosen to remain at their posts while the civilians and units of the army would withdraw.

When the Corps made representation for the Canadian Voluntary Service Medal, we were informed that it was for Active Service in the Armed forces. Another reason was that if we received it other units would bring pressure to bear on the Government for their inclusion. We fail to agree that other units like ours are or were overseas. They also failed to say why the Auxiliary Supervisors were eligible for said medal. These men did a grand job and we agree that they should get the award but, we believe we have a much better right to it. These men, like many units of the Forces, were told to take shelter during enemy action, which was quite sensible. Naturally the Fire Fighters had to remain at their dangerous posts. Even the Red Cross, a very gallant band of volunteers who were doing a great job and for no pay, have received a medal that we feel certain should have been ours, namely the British Defence medal. If we were not on Active Service, as the Awards Committee hint, why were the three men of our corps who were killed listed as such? Do they mean that only if we had got killed would we be classed as Active Service? Not a very pleasant thought, is it? If we had joined the other services as firemen, we would have received as high or higher rates of pay, we would have remained in the safety of our native land. We would have received the Medal and would now be wearing the regular discharge pin in place of the insignificant one issued by the Government. Is it any wonder that our fellow firemen on the department we left are laughing at us now? When we volunteered, they said we were really taking over a dangerous job and we would be better off to stay in Canada as forces firemen. Quite true.

Some of our wives received booklets called "Back to Civil Life" that showed the benefits that were open to the forces. They were very happy about the whole thing, but their joy was short as P.C. 3229 quickly dispelled any thoughts of our getting such treatment. I received a form letter telling me I had a year's treatment at Christie Street Hospital if I needed it. I hurt my back overseas and went to said hospital for a bit of treatment. I was told what I could do with my letter. I did receive an X-ray of my back but, believe me, I have never had the nerve to go back to see how I made out as I did not want to get insulted again. Is it any wonder our members are dissatisfied?

As we were preparing to embark for England, the Governor General and Major-General LaFleche called us the fourth arm of the services. We certainly have not been treated as such by P.C. 3229. The Canadian Legion have been the only organization to treat us as such and have gone so far as to grant us a charter of our own to form our own Branch of the Legion. We do not know now if we should accept as we would not want to throw any criticism on so worthy an organization by being the only members in it without a medal to show for our services as volunteers overseas.

Well Gentlemen, I could go on for hours on this subject but as I know your time is valuable I will say thanks for granting us this opportunity of presenting our case. It is up to you fellows now to decide our fate and we pray you will decide in our favour. I have copies of our resolution and brief that I hope you will find time to read. Thanks, gentlemen.

When the Dominion Government published the Acts granting War Gratuities, Rehabilitation Grants, Post War Credits, and all the Legislation covering Armed Forces Rehabilitation, members of the Canadian Corps of Fire Fighters in Great Britain took it for granted that they too would be included in all such

benefits. Very soon, however, it was learned that we had been completely overlooked, and absolutely nothing had been planned for our future. It was with extreme disappointment, and grave concern, that the Fire Fighters received the news that we had been completely ignored; and we felt that we had every right to feel such bitter disappointment.

Had we not every right to expect such treatment and benefits in post war days as men of the other services? Certainly we expressed our willingness to accept such treatment for the duration of the war when we volunteered, first: to go to the United Kingdom and aid in the defence of Britain, and secondly: in the Spring of 1944, to go anywhere on any battlefield to assist the Liberation Armies. We volunteered to do a job as necessary and as hazardous as any service. There never could have been an offensive without a defensive. The Canadian Corps of Fire Fighters were a part of that defence, in the cities considered the most important in Britain to defend, for it was from there our offensive began.

In volunteering to do the job we were best equipped for, men from Canadian Fire Departments answered the call of the Dominion Government, and accepted the Dominion Government's terms without question, just as volunteers in any other service. We offered our lives if necessary, our limbs and our health. Our term of duty was for the war's duration, or as long as required, just as the Armed Forces. We accepted comparable ranks and pay; the same allowance for our wives and families; we received the same treatment insofar as Medical examinations, medical care, pensions, discipline, clothing, feeding, travel, respect, right down to the smaller items such as carrying Canadian Army cards, photographed and finger-printed by the Canadian Army, and receiving similar discharge certificates on discharge.

Throughout our service, we accepted all the bitterness of war, along with the other services; in peace time we were to be completely ignored and denied the benefits received by those other services.

Why had we been denied such rights and privileges?

Why had we been overlooked or ignored?

These were the questions we all asked, asked of every individual who might have had an answer. But there were no real answers. Everyone agreed that we should receive all of the good, as willingly as we had accepted the bad.

The Dominion Government's denial of fairness and justice to the Fire Fighters, not only evoked bitter disappointment in us, but also the firmness of mind to work and to fight, until our post war lot is on a completely equal footing with that of the Armed Forces; until we too receive the recognition we honestly believe we earned when we left our homes, our wives and families, our jobs, and the safety of peace and plenty in Canada, and accepted the heart-aches, the loneliness and all the hazards and bitterness of war.

With that determination of purpose for justice and fairness, the members of the Canadian Corps of Fire Fighters began to organize in Great Britain. The Canadian Legion were contacted and immediately went to work for us. Our Corps Headquarters in London did likewise, and we formed our own Committee and collected contributions from our members to assist. But at that time all our own efforts had to be confined to enquiries.

Our first attempts at gaining satisfaction were made in Ottawa by a Fire Fighter returned to Canada on medical grounds. He had the sanction of the Fire Fighters overseas to represent us in attempting to gather all the information possible for our enlightenment. No concrete satisfaction was gained, but various opinions were all in our favour.

After the first suggestion by the Dominion Government that the Corps be repatriated, Britain's Home Office requested we be retained for further eventualities, and clearly indicated the high regard which they had for the efficiency and competence of the Canadians.

In October, 1944, it was finally decided to return personnel to Canada for discharge. When these drafts of men began arriving in Ottawa early in 1945, various and numerous enquiries were made; but it was intimated by our headquarters in Ottawa that our rehabilitation program was being taken care of, and that the prospects of satisfaction seemed excellent. There was still no concrete information available.

On arrival of Corps members in our various home towns—discharged—we were free to contact Members of Parliament, and any person or persons who may be able to assist or advise us in our fight. And although it was felt, and still is, that the necessity to fight for justice to Corps members was contrary to our sense of fairness, fight we must, to gain the recognition we have earned.

Isolated efforts were made in various cities across Canada. The information and advice obtained was passed from individual to individual until a co-ordinated program and committee were set up. Many Legion Branches and Provincial Canadian Legion Conventions and other concerned organizations across Canada, passed resolutions requesting the Dominion Government to recognize the Canadian Corps of Fire Fighters just as they did the other services. Public opinion has been strongly with us; but we have not made it a public issue as yet.

Information garnered from Members of Parliament, and Ministers, during and just after the final Session of the recent Government, led ex-members of the Corps to believe that we were to be treated on practically the same basis as the other Forces. It was, therefore, with further extreme disappointment that we receive Order-in-Council P.C. 3229. P. C. 3229 does not grant the Fire Fighters nearly the rehabilitation terms of the other forces. This, added to the fact that members have not been issued with discharge buttons, or authorized to wear any ribbons, or any evidence of service, added weight to the need of our determination to carry on our fight.

An especially designed discharge button for the Fire Fighters was later received by ex-members of the Corps in July, 1945, in some cases six months after discharge. This, however, does not give us complete recognition or satisfaction, although it is a step in that direction.

We are convinced that our service merited Canada's complete satisfaction in her Fire Fighters. In attempting to do more than was first asked of us, and to do as complete a job as possible for Canada's War Effort, we further offered our services anywhere in the world, on any battle front. One hundred men spent four and a half months taking specialized training to go to the Continent with the Invasion Forces. We were attached to the British 21st Army, with their Army personnel as Liaison Officers. We expected to cross the Channel daily, but our chance never came, and it was with keen disappointment and regret that our Overseas Contingent was finally disbanded before we could go farther and do more.

Could we have done more or tried harder to complete all the service possible for Canada in her fight for Freedom? Why, therefore, should we not expect Canada's treatment of us to be just as complete? Why should Canada deny us the rights and privileges they have offered other services?

It has been suggested that possibly the word "Civilian" in our title has been responsible for the half measures adopted in our post war recognition and rehabilitation. The word "Civilian" was detested by all ranks but we weren't concerned over a name; our job was deemed far more important than any word. The word "Civilian" did not reduce our term of service, or sense of duty. It did not increase our pay or eliminate German bombings, or machine gun strafing, or any of the discipline, the bitterness, or the hazards of war. Now it seems just a handy word to use to deny us our post war benefits.

It has also been suggested that the Fire Fighter does not need total rehabilitation benefits as he never has been completely separated from his occupation.

There are thousands of men in all services, in Canada and abroad, who likewise continued at their trades and professions. This has added to the competence of all services. It enabled the Canadian Government to send an efficient body of Fire Fighters to England without months of delay spent in training.

Even though ours was a small corps, it was necessary to maintain a headquarters staff in Canada. The men chosen for this job were forced to remain at their desks (against their own will, I might add). Now it appears that they have been left out of all benefits, with the exception of discharge badges. This, to our democratic mind, is decidedly unfair.

We have been led to believe that one of the reasons that we have been left out of so many benefits is that our corps consisted of all professional firemen. This is indeed a fallacy. We would not be far out in venturing a guess that at least 35 per cent do not come under said class. It is true that some of these members have been readily absorbed in Canadian Fire Departments, but their positions are rather doubtful as many municipalities have passed laws saying that only veterans may hold civil positions permanently, and as yet we are not classed as veterans. Is it any wonder these members feel rather bitter? A small number of our members were students who spent their leisure time taking Legion courses in the hope that if they worked hard they would benefit by the splendid benefits of the rehabilitation plan for vocational training. They have since learned that such is not the case.

Another reason for our exclusion, we have been told, is that we did not carry arms. We are of the opinion that our hose, branches and equipment should be classed as "arms"! True, they would not kill the enemy, but they were successful in "killing" his efforts to burn the British Isles. It once appeared in the Canadian papers that we might be issued with Bren guns for our trucks. (I believe this was after some of our boys had been strafed by a German plane.) Our members were eager for the day when this might happen but nothing came of it, and we were disappointed. Surely no one would deny that incendiaries and flame-throwers are valuable weapons of modern war? Then why should they say that the Fire Fighter, with his equipment, is not "armed"?

Although we were not separated from our profession, we were completely separated from our homes, our families, and our Country, doing our job at the request of the British Government to our Government. Can it be possible anyone could suggest that we do not need, or have not earned, the same respect and benefits the Dominion Government have granted other volunteers, and other personnel who have seen Active Service in her Forces??

Because of our completed job, because of our services and our sacrifices for Canada, we, the ex-members of the Canadian Corps of Fire Fighters, are requesting that the Dominion Government inaugurate legislation granting us recognition as the Fourth Branch of the Services—the term unofficially used by such officials as General LaFleche and the Right Honourable Vincent Massey in reference to us—complete with all rights and privileges, now, and in future legislation, concerning Canada's War Veterans.

REHABILITATION BENEFITS AND GRATUITIES, GRANTED TO MEMBERS OF THE ARMED FORCES, SHOWING COMPARISON TO COVERAGE OF CORPS PERSONNEL.

Clothing Allowance

ARMED FORCES

CORPS PERSONNEL

Granted \$100 Civilian Clothing Allowance on Discharge, effective August 1st, 1944

Same Benefit

Transportation

ARMED FORCES

CORPS PERSONNEL

Entitled to free transportation to home,
with travelling expenses, after
discharge Same Benefit

Compulsory Re-employment

Entitled to be reinstated in former
employment after discharge Same Benefit

Transportation to Canada of Wives and Dependents

Provision is made for the transportation
of the wives and dependents to
Canada of members who married
overseas. Free transportation and
travelling expenses are given to the
members home Same Benefit

Pensions

Pension granted in case of death, and
any disability arising or aggravated
during service if overseas, and any
disability arising as a direct result
of service is pensionable regardless
of where the applicant served Same Benefit

Medical Treatment

- (a) For conditions which are related to
service, free treatment and hospital-
ization with allowances Same Benefit
- (b) For conditions not related to service,
free treatment and hospitalization
with allowances for one year after
discharge Not entitled to this benefit

Rehabilitation Grant

Entitled to 30 days' pay and dependents'
allowance, if have served at least
183 days Same benefit if members served over-
seas

Veterans' Insurance Act

Except under certain circumstances, ex-
servicemen may purchase up to
\$10,000 Life Insurance without a
medical examination. Application to
be made within three years after
discharge Same benefit if member served over-
seas

Veterans' Land Act

ARMED FORCES

CORPS PERSONNEL

Subject to reasonable conditions, this act provides for loans up to \$6,000; the maximum for land and improvements is \$4,800, for live stock and equipment \$1,200.

- (a) Full time farming.
- (b) Small holding (coupled with industrial or other employment.)
- (c) Small holding (coupled with commercial fishing.)

Only members who are in receipt of a pension and with overseas service, benefit under this act.

Vocational and Technical Training

Granted to all discharged persons who have no trade, or need a brush-up course in their trade. Maintenance benefits may be paid during such training, both for married or single men

Only members who are receipt of a pension and with overseas service, benefit under this training.

War Service Grants Act

- (1) \$7.50 for every 30 days service in western hemisphere
- (2) \$15 for every 30 days service overseas.
- (3) 7 days pay and allowances (including dependents' allowance, and subsistence allowance at standard rates payable in Canada.) for every 6 months service overseas.
- (4) A re-establishment credit, equal to the sum of (1) and (2) which may be used for certain purposes.

Entitled *only* to \$15 for every 30 days' service overseas.

Unemployment Insurance

If employed 15 weeks and having made the contributions required in insurable employment, to be credited with the time spent in the Forces since July 1, 1944, without making contributions to the Fund. July 1, 1944 is the date this act became law.

Not entitled to this benefit.

Out-of-work Benefits

Benefits similar to the Unemployment Insurance benefits are payable to discharge persons who are capable of employment but for whom no work is available, for a maximum period of 12 months

Not entitled to this benefit.

Temporarily Incapacitated

ARMED FORCES

CORPS PERSONNEL

Benefits similar to those payable under the preceding paragraph may be paid to discharged persons who are temporarily incapacitated Not entitled to this benefit.

Farmers and Others awaiting Returns

Benefits similar to out-of-work benefits and subject to similar limitations may be paid to those engaged in farming or other business on their own account while awaiting returns from their enterprise Not entitled to this benefit.

Educational Benefits

Maintenance benefits and student fees, may be paid to those who resume education which was interrupted by their enlistment. The period for which benefits may be paid is determined by the length of service of the student Not entitled to this benefit.

Post-graduate Courses

Post-graduate courses may be given with maintenance, in approved cases.... Not entitled to this benefit.

Preference in Employment

Preference in employment is provided in all war contracts to those who have served in the forces Not entitled to this benefit.

Civil Service Act

Preference in employment is provided in the Dominion Civil Service on the same basis as that applying to ex-members of the C.E.F..... Not entitled to this benefit.

War Veterans' Allowance Act

If a veteran attains the age of 65, or in the opinion of the board, incapable of maintaining himself, or permanently unemployable, an allowance may be paid up to \$50 per month for a married man and \$25 per month for a single man..... Not entitled to this benefit.

Dependents' Board of Trustees

Special assistance is provided under P.C. 18 January, 1942, to the dependents of members serving in the armed forces. Financial assistance may be given, after investigation, in special cases of hardship or to meet emergencies that cannot be met in full by the dependents or members of her household Not entitled to this benefit.

APPENDIX "C"

BRIEF FOR SUBMISSION TO THE FIRST PARLIAMENTARY
COMMITTEE ON VETERANS AFFAIRS

BY THE FEDERATION OF BRITISH-CANADIAN VETERANS OF CANADA WITH REFERENCE TO THE EXTENSION OF THE WAR ALLOWANCE TO

1. All Canadian Veterans;
2. British-Canadian Veterans;
3. British-Canadian Ex-Service Women.

1. The general feeling amongst the British-Canadian Veterans resident in Canada during the last twenty-five years is that there should be some form of social or veteran legislation to take care of the British Ex-Service men and women in their old age.

2. If, reference, in brief, is given to the British forms of social legislation (true there is none comparable to the W. V. A.) applicable to the care of veterans in their old age—it can be found that pre-1914 social legislation was readily adaptable in post-war years—such as non-contributory old age pensions—after residence in Great Britain of Canadians in particular, after 12 years, National Health and Unemployment Insurance, widows "and orphans" pensions.

3. When the British Veteran became resident in Canada after the last Great War there was nothing in the form of social security to replace what was available to them in Great Britain. The Unemployment Insurance Act—clause 99 although enacted has not, as yet, been implemented to embrace reciprocity between Canada and Great Britain—although Great Britain has reciprocal arrangements with Australia, New Zealand and Ireland, of the Unemployment Insurance Act combined with the forms of social legislation as contained in paragraph two of this brief.

4. Before and since September 1930 the War V. A. Act came into force the plight of the unemployed old British-Canadian veteran was pitiful—and up to the present time, is the same degree, thus, in case, being separate and to his Canadian brother in arms with whom he fought side by side.

5. Despite the tragedy, the British-Canadian veteran has raised his family—paid taxes—contributed to the public seal—nay, has sons and daughters who have worn and still wearing the proud uniforms of Canada. Is not that, alone, a loyal and concrete example of faithful Canadian citizenship warranting equal status for the British-Canadian parent who has been striving to obtain recognition of entitlement to the benefits of the W. V. A.

6. It is also, at this moment, noteworthy to mention that where British-Canadian veterans are in receipt of a British pension for disability while on service, it is utterly impossible to exist on the same because of the rate of currency exchange between Great Britain and Canada. \$4.43 a week for a single veteran, and \$8.86 a week for a married veteran constitutes the pension in Canadian currency. Truly, should there not now be better social security enacted than hitherto available for the British-Canadian veteran and British-Canadian Service women.

7. Yet, there has been a difficulty experienced by previous Parliamentary Committees in extending the W. V. A. to British-Canadian veterans and ex-

service women—an Act which came into being September 1930 applicable in benefit only to British-Canadians domiciled in Canada prior to the last Great War and Canadian veterans who saw service in an Actual theatre of war—only. The Canadian who did not serve in an actual theatre of war is still excluded.

8. The chief provisions of the W. V. A. are:

1. To meet a condition of disability or inability to maintain themselves on the part of veterans who
2. Had served in the *First* Great War in a theatre of actual war or—
3. Who are in receipt of pensions for injury or disease incurred or aggravated during war service the war 1914-1918, or—
4. Who have accepted final payment in lieu of annual pension in respect of such disability rated at 5% or more of total disability.
5. Age—condition and circumstances of the applicant also enter the picture.

9. The above material points are all Canadian in legislation. The very provisions we, as British-Canadian veterans are, and have been seeking, for at least the past fifteen years. We, as British-Canadian veterans are not unmindful of this, therefore, the Federation of B.C. Veterans, respectfully ask that, by solemn resolution and submission to the first Parliamentary Committee sitting at the earliest possible date:

1. The Dominion Government give expedient extension of the benefits of the W.V.A. of 1930 to ALL Canadian veterans and ex-service women regardless of where they served—providing such veteran has received an honourable discharge.
2. That the Dominion Government give expedient extension of the W.V.A. to all British-Canadian Veterans and Ex-Service women who have been domiciled in Canada prior to, and since September 1930.
3. That the Dominion Government give expedient employment to reciprocity—on the basis of future immigration to:
 1. The Unemployment Insurance Act, clause 99.
 2. Future National Health and Welfare rights and benefits thereunder.
 3. Widows, orphans and invalids pensions.
 4. Workmen's Compensation.
 5. Contributing and non-contributory old age pension.
 6. British Health Insurance Legislation makes it possible with other Dominions of the British Empire to secure continuity of insurance of persons who, being insured in Great Britain are, on becoming resident and unemployed in another Dominion with which such an arrangement is made.
4. That the Dominion Government make note there will not be more than 5 per cent British-Canadian veterans and ex-service women at present eligible for the W.V.A.

(Sgd) STEPHEN G. JONES,

President,

Federation of British-Canadian
Veterans of Canada.

APPENDIX "D"

DOMINION COUNCIL CANADIAN NON-PENSIONED VETERANS'
WIDOWS RESOLUTIONS ADOPTED AT THE ANNUAL
CONFERENCE AT WINNIPEG, MANITOBA, THE
2nd TO 4th OCTOBER, 1945

1. We resolve that the widows' allowance, now payable under the War Veterans' Allowance Act, be raised to Forty Dollars (\$40.00) per month and that this amendment apply to all non-pensioned widows whose husbands served in any of His Majesty's Canadian Armed Forces whether in an actual theatre of war or otherwise.
2. That legislation relative to war widows, under the War Veterans' Allowance Act, be made permanent.
3. Whereas hostilities now have ceased, many Veterans' Widows between the ages of forty-five and fifty-four years, who have been employed during the war years, now find themselves unemployed and unemployable. We ask that the age limit be removed.
4. That a son or daughter of a veteran, irrespective of age, who is so incapacitated by physical or mental disability as to be incapable and not likely to become capable of earning a livelihood, be eligible for Orphans' Allowance.
5. Whereas we recommend that an amendment to the War Veterans' Allowance Act be made whereby all veterans and widows, in receipt of the allowance, receive free hospitalization under the Department of Veterans Affairs.
6. Be it also resolved that representatives of the Non-pensioned Veterans' Widows Associations be called before the War Veterans' Allowance Board, at their discretion, to discuss problems appertaining to the widow.
7. Whereas we recommend that broader consideration be exercised with regard to the deserted wives whose circumstances, in many cases, are urgently needful and worthy of consideration.
8. Be it resolved that dependent mothers with sons who died as result of service in any of His Majesty's Armed Forces, be granted a permanent pension of Sixty Dollars (\$60.00) per month equal to the amount paid to a Widow.
9. Be it also resolved that we appeal to the Dominion Government for the necessity of making prompt provision for the non-pensioned widows of the Imperial Veterans by the extension of the War Veterans' Allowance Act under the same conditions as the Canadian non-pensioned widow, provided such widows have been domiciled in the Dominion for a reasonable time.
10. Whereas the non-pensioned widows request that all Veterans' graves be marked by an official marker.

APPENDIX E

THE CASE OF THE CANADIAN CIVILIAN FLYING PERSONNEL OF
THE R.A.F. TRANSPORT COMMAND IN THEIR CLAIM FOR
RECOGNITION AS VETERANS

The unpublished, but nevertheless exceptionally high casualty rate of our members;—Our rate by accident is over 20% killed in four years of operation. During the hazardous first two years of our organization the rate by accident was 35% killed. We invite comparisons of these proportions with any branch of the active services overseas.

Members of the government do not, in general, realize that R.A.F. Transport Command civilians have been asked to man guns in aircraft, have been given courses in air gunnery, have been attacked by enemy aircraft and anti-aircraft.

They have been asked to fly in many theatres of war, and many flights have been made over or near enemy occupied territory and within range of enemy interceptor aircraft.

No fair minded person could distinguish between the importance or dangers of our work and that of a man on active service overseas, to say nothing of those who have served in Canada and who receive recognition as veterans.

There is a tendency to regard civilian personnel flying with R.A.F. Transport Command as being an extremely high salaried group and as such not eligible for classification as veterans. In enlisting discrimination on a dollar for dollar basis there follows a list of comparative salaries against those of R.C.A.F. officers attached to Transport Command for ferrying duties.

R.A.F.T.C. Civilian Flying Personnel (Married, One Child—A Typical Case)

	Salary	Per month.		Net Salary
		Inc. Tax	Insurance	
Captain	\$1,000.00	\$230.00	\$75.00	\$695.00
First Officer	800.00	184.60	50.00	565.40
Sr. Radio Officer	600.00	129.50	50.00	420.50
Ft. Engineers & Jr. R/O's	450.00	87.60	50.00	312.40
Observers	154.12	9.00	Nil	145.12

R.C.A.F. Flying Personnel Attached To R.A.F.T.C. (Married, One Child)

	Pilot Officer	Flying Officer	Flight Lieut.	Squadron Leader	Wing Commander
Basic pay Allowances	\$187.50	\$210.00	\$255.00	\$292.50	\$360.00
Wife	47.20	47.20	52.20	57.20	62.20
Child	13.92	13.92	13.92	13.92	13.92
R.A.F.T.C. Allowance	120.00	120.00	120.00	120.00	120.00
Net Salary	\$368.62	\$391.12	\$441.12	\$483.62	\$556.12

It can be pointed out that the actual number of Canadian civilian flight personnel involved is only 269, made up as follows: Captains 44, First Officers 32, Sr. & Jr. Radio Officers 149, Flight Engineers 21 and Observers 23. It is apparent that the numbers of persons in the so called "high salaried group", namely Captains, receiving \$695.00 net (gross \$1,000.) is only 44, a percentage of the total Canadian flight personnel of only 16%.

Officers 149, Flight Engineers 21 and Observers 23. It is apparent that the number of persons in the so called "high salaried group", namely Captains,

receiving \$695.00 ne (gross \$1000) is only 44, a percentage of the total Canadian flight personnel of only 16%.

The civilian flyer receives his pay and nothing more. In fact he is removed from the payroll immediately upon being reported missing. His pay also ceases in case of sickness or by reason of accident sustained in the line of duty.

He receives no medical or dental services. There is no government pensions for dependents in the case of death. The only coverage is under Quebec Workman's Compensation Act, which pays \$40.00 per month to a widow and \$10.00 per month for each child up to 18 years of age.

Therefore, although it may be assumed that civilian flying personnel are better off on the basis of gross income, such is not the case as is shown above.

It can also be stated that the civilian flying personnel came to Transport Command fully qualified and trained at their own expense. From the Government booklet "Canada At War" it is estimated that *it cost the Dominion Government \$25,000.00 to train a pilot under The British Commonwealth Air Training Plan to "wing standard" i.e. 250 hours.* Canadian civilian pilots came to Transport Command with an average of 1,500 hours!

AUXILIARY WAR SERVICES GRANTED RECOGNITION

The Orders in Council P.C. 3229 and 3228, dated May 3, 1945 extend to supervisors of the Auxiliary War Services (Canadian Legion, Y.M.C.A., K. of C., Salvation Army and the civilian fire fighters enlisted for service in the United Kingdom) the benefits of the War Services Grants Act. These Orders in Council were passed on the recommendation of the Minister of Veterans' Affairs, who reported that in many respects such supervisors and firefighters served under the same conditions and with similar rates of pay, etc., as members of the armed forces and should therefore receive similar benefits.

These men did an excellent job during the war. We consider that Canadian civilian flyers with the R.A.F. have done equally as much.

In conclusion, it can be pointed out that the success of R.A.F. Transport Command (originally C.P.R. Air Services) rested on the few civilians who were called upon to deliver the first badly needed land based bombers to Britain in the dark days of 1940. To them goes the credit for pioneering what was considered an impossible feat in overcoming the hazards of the north Atlantic.

In refusing recognition to this small body of men, Canada is discriminating against some of her best Canadian flyers.

Submitted by; Trans Oceanic Radio Officers' Association, P. O. Box 294, Station "H", Montreal, P. Que.

APPENDIX "F"

WOMEN'S AUXILIARY

WINNIPEG DIVISION, R.C.N.V.R.

WINNIPEG, July 4, 1945.

The Honourable IAN MACKENZIE
Minister of Veterans Affairs
Ottawa, Canada.

Dear Sir:

The Women's Auxiliary Winnipeg Division, R.C.N.V.R., is greatly concerned over the position of the families of naval service men who have given their lives during the present war. The pension granted to the widow and children by the Department of Veterans Affairs is sufficient only for the day by day expenses, and leaves no margin for meeting emergencies such as payment of medical services. We recognize the fact that in some instances the pension can be supplemented by the widow taking employment, but this is not always desirable or possible when she has the responsibility of caring for her children.

In 1942, under the Department of National Defence, the Dependents' Board of Trustees was established to give assistance in such emergencies to the families of enlisted men, and this has been of great comfort and assistance to a large number of families.

We urge that consideration be given to the plight of the families of deceased servicemen, and that assistance similar to that extended by the Dependents' Board of Trustees be granted them in the near future.

Very sincerely,

A. NORA McMURRAY,

President.

25 Harvard Ave.

Veterans Affairs 1945

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

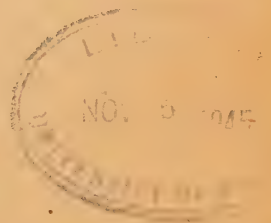
No. 10

TUESDAY, OCTOBER 30, 1945

WITNESSES:

- Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
- Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
- Brigadier J. A. de Lalanne, C.B.E., M.C., Vice Adjutant-General;
- Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review,
The War Service Grants Act, 1944.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF PROCEEDINGS

TUESDAY, October 30, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Abbott, Adamson, Ashby, Baker, Belzile, Bentley, Blair, Blanchette, Bridges, Bruce, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Sinclair (*Vancouver N.*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Brigadier J. A. de Lalanne, C.B.E., M.C., Vice Adjutant-General (1); Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review, War Service Grants Act, 1944.

After discussion regarding the Steering Committee's report of October 26 on procedure, Mr. Sinclair moved that the draft bill to amend the War Service Grants Act, 1944, be considered forthwith and reported to the House and that all draft bills relating to veterans be dealt with before proceeding to consideration of the claims of members of auxiliary services.

The question being put, it was resolved in the affirmative on division.

The Chairman filed letters received from the Deputy Ministers (Navy, Air and Army) of the Department of National Defence setting forth the conditions under which war service personnel are dismissed (a) as a result of convictions in civil courts; and (b) as a result of findings of courts martial for offences which are of a criminal nature, as opposed to purely military offences. (*Printed as Appendix "A" to this day's Minutes of Evidence.*)

The Chairman read a letter from Major-General Walford, Adjutant-General, setting forth the views of his Service regarding the payment of war service gratuities to soldiers discharged for misconduct.

Brigadier de Lalanne was called and questioned.

The Committee resumed consideration of Mr. Mutch's motion to amend clause 12 of the draft bill to amend The War Service Grants Act, 1944.

Brigadier Topp was recalled, questioned and retired.

Mr. Pearkes moved, in amendment, that clauses 10, 11 and 12 of the draft bill be deleted and that sections 11 and 12 of The War Service Grants Act, 1944, be repealed.

Discussion followed.

At 1 o'clock p.m., Mr. Cleaver moved that the Committee do now adjourn.

The question being put, it was resolved in the affirmative on division.

The Committee adjourned until Thursday, November 1, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 30, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, on October 26, owing to lack of time because the Legion was making its presentation and we feared we could not get through in one sitting and they wished to leave that day, I made a report in regard to the recommendations of the steering committee, saying as follows:

The first item on which I would like to report to the committee arises out of the discussion in the committee just before it adjourned yesterday. The steering committee are recommending to the committee—we do not need to discuss it this morning but I am just reporting it—that after we hear the submission today we will endeavour to complete consideration of the War Service Grants Act, and then go on to the Fire-fighters Act which includes the auxiliary services people; and we will endeavour to make our report to parliament in regard to both. I think that was the suggestion of the steering committee; and, as I say, I do not think we need to discuss it this morning, but I wanted you to know what we had decided in that regard.

I suggest to the committee that we should actually adopt the report of the steering committee this morning so that we will know exactly what we are going to do. That was the suggestion of the steering committee, and of course we would have discussed it on the 26th if it had not been that we were pressed for time the other day.

Mr. SINCLAIR: With all due deference, Mr. Chairman, to you and to the steering committee, whoever they may be—I was not here when they were appointed—I disagree very strongly with this report, for two reasons. First of all, the principal business of this veterans' committee is to make provision for including all these orders in council and previous legislation into the statutes as quickly as possible. Our principal concern is not these auxiliary services but the armed services. As it is now, because of the very studious way with which we are going through these things, it is very doubtful if we are going to get through the mass of work for the armed services alone by the end of this session. If we introduce at this point what is going to be a highly contentious and very minor part of the bill, then I think a good deal of the job we should do, the job for the armed services, will be indefinitely postponed.

My second point is that in fairness to these auxiliary services—and I am very much interested in one branch of them myself—if we now, having got through the war grants part for the armed services, start discussing a special bill for them as far as war grants are concerned, then when we would get through with the Veterans' Land Act with regard to the armed services, we are going to have the same thing with regard to the Veterans' Land Act for the auxiliary services. Then when we would get through the veterans' allowance bill we will have the same thing for other auxiliary services men who were veterans of the last war, and then we will have to have another debate and another bill on that, and the same thing passing to the Pensions Act. So I would say it would be much better if in this committee, rather than getting away from our cardinal purposes with regard to the armed services and what

we commonly understand as the armed services, we would deal with all this legislation as it affects the armed services, and then at the end have one bill to cover whatever provision should be made in connection with the War Services Grants Act, Veterans' Allowance Act, Veterans' Land Act and the Pension Act. So I should like to move that we do not consider the special bill for fire-fighters and auxiliary services next, but proceed to the Veterans' Land Act.

Mr. GREEN: Mr. Chairman, the steering committee gave this very careful consideration. That only means one thing. It means that the plan put forward by these people will not be considered at all at this session or perhaps at the next. Mr. Sinclair's motion in effect means putting it out the window.

Mr. SINCLAIR: It certainly does not.

Mr. GREEN: The position is that we have heard their brief. We have heard the representations from the Legion, the Salvation Army, Knights of Columbus, the Y.M.C.A. and also from the fire-fighters and from the transport pilots. All that matter is before the committee. We are in a position to deal with that in a comparatively short time. I suggest that we do not just start cutting these things up in the way that Mr. Sinclair suggests. I think we are getting along very nicely in the committee. These subjects are all difficult. It may seem that there has been quite a lot of time taken, but I think that we are all getting a grasp of the problem and going along very nicely. I think the recommendation made by the steering committee should be adopted and that we should not start chopping and changing now.

Mr. LANGLOIS: Mr. Chairman, I fully agree with Mr. Sinclair, and I second his motion.

Mr. CLEAVER: Mr. Chairman, while I fully agree with the thought behind Mr. Sinclair's motion, and his keen desire that we should get over the major part of our task as quickly as possible, I do think that if we do not deal with each of these individual measures completely at the time while all of the different ramifications and details are in our minds, we may be inclined to slight the matter of each of these individual measures. I feel that I must support the report of the steering committee for that reason. You see, Mr. Sinclair, if we put this matter off of these auxiliary services and so on, and decide to deal with the auxiliary services entirely by themselves, we have to brush up, refresh our minds as to the detail of the different measures again, and I feel that we might overlook some things.

Mr. SINCLAIR: As my name was mentioned, I should like to say this. It is not a matter of refreshing our minds in this. We want to know what we are doing for the armed services first, as far as the Veterans' Land Act, the War Veterans Allowance Act and the Pension Act are concerned; and to break in now and leave the armed services and to pass a supplementary bill, as we agreed, for the fire-fighters and these others I think is breaking up the continuity of our work. The principal concern of this committee is the armed services, not the auxiliary services. We will certainly take care of them when we have finished with the armed services.

Hon. Mr. MACKENZIE: Mr. Chairman, without appearing to make any suggestion to the committee, I should like to say a word here. As a matter of fact, I think the supporters of the government are in a minority in the steering committee. It is not a bad thing. I have a responsibility in this matter from the point of view of administration. The War Measures Act will be rescinded before long if parliament carries out the intent of the new bill on the order paper, although I think that bill would protect the rights we have already established by that order in council. My first responsibility, as long as I am in this position, is to the armed forces of Canada. There is no suggestion whatsoever I am quite sure, Mr. Green—as far as I am concerned at any rate—of shelving the representations made by other organizations. It is purely a

matter for the committee, in their good judgment, to decide whether it is more important to protect in permanent statutory form those things which have done by regulation and order in council for the armed forces first, and then if we cannot finish the other this session, we proceed next session with the unfinished business of this committee. It is purely a matter for the committee to decide which should have priority. In my own humble judgment, I should like to see the pension rights, the veterans' allowance rights, the land Act rights and those treatment rights under P.C.7635 under the amending order, which are very important, safeguarded in permanent statutory form at the earliest possible moment. It may take us a long time and we may not be able to do all this this year. I am in the hands of the committee in regard to what their judgment is going to be and what their decision is going to be.

Mr. Ross (*Souris*): I think the question raised by Mr. Sinclair is very much in order. I agree with what the minister has just said. Our first concern here is for the fighting forces. There is no doubt about that. While the auxiliary forces have done a very fine job, we do not want to put the cart before the horse. I should also like to mention one other matter.

If I might be permitted to do so, I should like to raise another point. I wonder if we could devise some way of getting our reports of the proceedings quicker than we have been getting them. For instance, the chairman took some of us to task yesterday because we could not attend all the sittings. Personally, I am one of those intensely interested in the Veterans' Land Act and the amendments thereto, but I find I am going to have to be away for two or three days now. I should like to be able to get a copy of the proceedings as soon as I return and read them, and not be rehashing things when I come to the committee. We have not yet received Friday's proceedings or yesterday's proceedings. I wonder if you could have a mimeographed copy, each following day, for the members of the committee. Some of us are in the unfortunate position that we have to miss one or two sittings of this committee.

The CHAIRMAN: In that regard may I say this: we are after the officials all the time to get the proceedings out as quickly as they can, and they seem to think they are doing a very good job in getting them out within 48 hours. That is about the time that they are behind on each of the sittings of the committee. In addition to the actual proceedings before the committee, there are submissions which are filed, and that means that there is a great deal in each meeting of the committee. But we are doing our best; and we also try to get memo-graphed submissions as suggested by Mr. Ross. Does any one else wish to speak?

Mr. GREEN: There is one feature I overlooked. It may be that those people in the auxiliary services can best be covered in the War Service Gratuities Act. If you remember, the recommendation of the steering committee was that the two bills be reported together. There is just the possibility that it should be included in the War Service Grants Act. So I think we would be wiser if we cleaned up the two at one time, as was originally intended.

Hon. Mr. MACKENZIE: My only point was this. I want to be frank with the committee. If we do commence upon the fire-fighters and supervisors, there are about eight or ten other classes of people who are anxious to apply for similar consideration; and it is quite possible we might defer unduly the final decision on the Pension Act, the War Veterans' Allowance Act and especially the Veterans' Land Act, which is a matter of controversy.

Mr. GREEN: The Veterans' Land Act was to follow the fire-fighters.

Hon. Mr. MACKENZIE: I am very glad to hear that. I think it is one of the most important things we can do. But I do fear the situation I have described. If the committee would confine consideration to these two classes, that might help; but I am afraid that might not be possible.

Mr. Woods: Mr. Chairman, Mr. Minister and gentlemen; I should like to urge the matter of the committee giving consideration to what we call the post-discharge re-establishment order. That is an order in council, and it is the only instrument we have available for the training in universities, vocational training, out-of-work benefits and so on; it rests on the simple order in council. I would urge the importance of dealing with that as soon as it can be expeditiously dealt with.

Mr. MUTCH: Question.

The CHAIRMAN: Mr. Green has suggested that we do not report the War Service Grants Bill until we pass the fire-fighters and supervisors bill and that was the recommendation of the steering committee. I am continually getting representations from different people that, if we endeavour to put through the fire-fighters and auxiliary services bill, they are going to insist on having other groups included with it, and that they will not let it go through unless they are.

Mr. MUTCH: The merchant marine.

The CHAIRMAN: There is the merchant marine, the South African veterans, the V.A.D., the Red Cross, the St. John's Ambulance, the fire-fighters and the civilian flyers.

Mr. ISNOR: And the pilots.

The CHAIRMAN: Well, the civilian flyers, the air transport command and instructors. So if we are going to deal with the fire-fighters and the supervisors, each one interested in these groups say that they are going to insist on dealing with the others. That is the situation we face there, unfortunately; and while the steering committee has recommended that we try to put through the fire-fighters and supervisors, the others are making these representations. That is the situation.

Does any one else wish to speak to the motion? The motion is that we consider the War Service Grants Bill. I take it the intent would be that, when that is completed, we embody it in a report to parliament, and then we go ahead with the other bills that have to do with the armed services and leave the various civilian branches that we want to bring in under the terms of the general Acts for the armed services, until we have got the more urgent armed services bills dealt with. I understand that is the purpose of the bill. The items that we have to consider, or that the steering committee suggested we consider first, were the Veterans' Land Act; then after that the Post-Discharge Re-establishment Order, the Veterans' Allowance Bill and the Soldier Settlement Act and the Pension Act. Of course, the steering committee will make further recommendations as to the order in which these will take place. All we are deciding this morning is, as I take it, that the committee support the motion; you do not accept the decision of the steering committee to hold up the War Service Grants Act until you have dealt with the Fire-fighters Act, but decide that we go ahead with the War Service Grants Act, and then proceed with whatever Act applies to the armed services generally. Does any one else wish to speak to the motion that has been made?

Mr. CROLL: You had better be careful about the wording, Mr. Chairman. If I recall the order in council some time ago the words "armed services" were used referring to supervisor was it not? You had better use "fighting personnel".

Hon. Mr. MACKENZIE: There was an order in council in 1944 in which the phraseology was, I think, rather unfortunate. Speaking from memory, the phraseology was to the effect that they shall be deemed to be members of the armed forces until the termination of their duties; that is, for purposes of pension and benefits. I think the intention was to refer to immediate benefits such as treatment; but the interpretation might very well be that it might be continuing benefits.

Mr. CLEAVER: Is it the intention to deal with the auxiliary services by way of a separate bill, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. CLEAVER: If it is the intent to deal with it by a separate bill I suggest, Mr. Green, your objection is in part met.

Hon. Mr. MACKENZIE: Parts of the bill have been deferred.

Mr. GREEN: No. Actually what has happened is this. The bill has been here right from the start with regard to auxiliary services. It was passed unanimously by the steering committee. Now there has been a change of heart apparently and the whole thing is being shelved. The chairman of the committee, who is chairman of the steering committee, is apparently now in favour of this new plan, or the minister is in favour of the new plan. What can we do in a case like that? It only means that these people will not get justice done to them until next year, if they get it then; and the re-establishment or rehabilitation is needed now. It is not a matter of getting shoved off until next year. What can I do? The government are in the majority in the committee.

Mr. SINCLAIR: Not only in the government.

Mr. GREEN: Wait a minute. If they are going to shove this thing out—I am not going to try—

Hon. Mr. MACKENZIE: Oh, no. I must take mild exception to the two words “shelved” and “shoved out”. There is no intention whatsoever to do anything of the sort. My own feeling is that our first duty is to the armed forces.

Some Hon. MEMBERS: Hear, hear.

Mr. MUTCH: I get on my feet reluctantly in this matter. I thought we threshed it out about ten days ago when, I think, Mr. Green, the chairman—the three of us—and I discussed it. My understanding then was that the principle of dealing with the primary job of this committee—that is, the armed forces—first, was established in the committee. I confess I did not even listen particularly the other day when the report of the steering committee was brought in, or understand what the implications were. But if it is a clearly-defined case, as put up by Mr. Sinclair this morning, of making a decision now, to bind the committee, then as I said the other day—I repeat that I think our first responsibility is to the persons who actually served in the forces. I do think—and I am quite sure Mr. Green will agree with me—that there will be extreme difficulty in completing everything that is before this committee this term; and if that is the case, and any one has to be left over, very reluctantly I would say these other people rather than the actual service forces, are the ones who should be left over. I do not think it is a question of shoving out at all.

Mr. QUELCH: I should like to say this. I do not think it is quite fair to say that the steering committee were enthusiastically behind this suggestion. Some of us did feel that the armed forces should be taken first; but due to the fact that there was quite a bit of opposition to that suggestion in certain quarters, it was finally thought that perhaps we might be actually expediting the business to carry out the suggestion as embodied in the steering committee's report. Otherwise we thought there would be a lot of time lost in the committee by objections from certain people. I would certainly say that some of the steering committee did feel that the armed services should be taken first.

The CHAIRMAN: Are we ready for the question?

Some Hon. MEMBERS: Question.

The CHAIRMAN: All in favour of the motion? Contrary? I declare the motion carried.

Motion agreed to.

The CHAIRMAN: I had in my hand yesterday a letter from the adjutant general, General Walford, which was written to me in regard to this question of gratuities. It was marked personal, but I have now been authorized to lay it before the committee. Before we go further, I think, as it represents the considered view of Major General Walford, I should read it to the committee. It is addressed to me and reads as follows:

"Dear Mr. Tucker:

At your request a representative of my Branch has been attending at meetings of your committee dealing with veterans' welfare legislation. Last Friday the committee discussed the question of alternative bases for the legislation, and on that day Brigadier Ferguson, a Deputy Adjutant-General, was present and gave evidence.

2. It has now been represented to me that his evidence may be taken as indicating official support of the Department of National Defence (Army) for an important amendment to the present legislation: namely, to adopt a new basic principle underlying the legislation and so provide gratuities and other re-establishment benefits for all periods of satisfactory service, regardless of the nature of the final discharge.

3. This is a fundamental change in the basis of the legislation. I should therefore like to point out the implications of such a change on administration within the Army.

First may I say that it is clearly understood that the views of the services present only one aspect of the problem being studied by your committee. We do, however, feel that the service repercussions should be clearly and frankly presented to you.

4. The Army policy and attitude toward gratuities (and other related benefits) has necessarily been built up on the present spirit of the authorizing legislation, under which entitlement to these benefits rests upon an honourable discharge, although the quantum of the variable items such as gratuity is determined by the nature and the length of the satisfactory service rendered. The benefits provided have been clearly explained in routine orders as a reward for continued good behaviour and the forfeiture by dishonourable discharge clearly pointed out.

The opinion of responsible commanders is that the present legislation offers an important incentive to continued good behaviour, without penalizing the well behaved soldier. Such commanders strongly recommend against any change at this time in the basic principle underlying the legislation because such change in their judgment is calculated to have serious repercussions.

5. The army at this moment faces a most difficult and sensitive problem in maintaining good order both overseas and in Canada. There are still serving overseas more than 150,000 men, many of whom still have substantial service. (Our long service drafts for repatriation, at the moment, are being made up of personnel with 110 points or better). Even at the present rate of repatriation, those now overseas (other than the occupation force) cannot be fully repatriated until March or April next.

In addition to those overseas, many thousands serving in Canada are being denied discharge until they become qualified under the policy which gives priority to personnel with overseas service.

6. Any weakening of the incentives for continued good behaviour could have a serious effect on the conduct of the troops overseas. They will during the next five months face the most unpleasant weather of the year and the most difficult conditions under which to maintain the fine record for good conduct which our Canadian troops have established throughout this war wherever they served.

7. It has been stated that the present basis of legislation penalizes men who have rendered good service but have committed one act of misconduct. Such

is not the spirit of either the service regulations or their administration. Of the first 230,000 men discharged from the army only 4,400 were dishonourably discharged, a ratio of less than 2 per cent. Quite obviously some decisions as to nature of discharge will be disputed, as must always occur where the factor of human judgment enters, but I am confident that examination of any representative cross-section of cases would indicate a reasonable and conscientious standard of judgment and of justice. Cases of apparent injustice can and are being reviewed as disclosed and in that connection the work of the Board of Review is proving most useful.

No dishonourable discharge is given except in cases of a most serious offence or a series of less serious but bad offences. Such a discharge is based on clearly defined grounds so that the exercise of discretion of individual officers is kept to a minimum.

8. From the foregoing I hope it will be clear that the attitude of the responsible military authorities toward a change in basic principle of the present legislation, rests not so much upon any views as to the underlying principle of the legislation, but upon the very real and dangerous possibility of such a change being misunderstood. It might well be interpreted, and represented to the troops, as a change in attitude of the people of Canada toward the necessity for continued good behaviour, and as criticism of the commanders who have been charged with a very serious responsibility of maintaining such standards and under whose command the present very enviable record of the army in conduct as well as fighting achievement has been attained. Should there exist any strong feeling that dishonourable discharges have been improperly granted, then the remedy which would appear less likely to disturb and aggravate the present very difficult situation in respect to the maintenance of good order and discipline would be a review of the basis for the granting of dishonourable discharges. The adoption of a new underlying principle in the veterans benefits legislation, however attractive its appeal to the feelings of those responsible for such legislation and for the welfare of the troops, holds serious and dangerous potentialities in the maintenance of high standards of conduct.

9. This letter has been addressed to you personally because it is in effect and aide memoire on our chat this afternoon and we would prefer that the matter be not reopened before the board. Should you feel that the letter should because that will treat the condition where a man gets no gratuity?

That letter is dated October 26. I hesitated to use it because of the contents of it, and I only used it this morning because I had been distinctly authorized to lay it before the committee.

Mr. QUELCH: By whom is it signed?

The CHAIRMAN: "Sincerely yours, A. E. Walford, Adjutant-General."

Mr. BENTLEY: Are we to understand that all the military and armed service laws dealing with those who commit military or other offences are no deterrent at all and that the only deterrent is that of a dishonourable discharge because that will treat the condition where a man gets no gratuity?

The CHAIRMAN: Brigadier de Lalanne is here, this submission comes from his department; probably he would come forward and answer that question.

BRIGADIER J. A. de LALANNE, called.

The CHAIRMAN: Brigadier de Lalanne, you heard the question asked by Mr. Bentley. The suggestion in the question was that the army is taking the attitude that all their deterrents against bad conduct are not sufficient without adding this one regarding gratuity—or something to that effect?

Mr. BENTLEY: That is about it, yes. I want to know if military discipline is not strong enough and punishment for crimes committed is not a sufficient

deterrent to the committing of these crimes without adding this one that is going to involve a lot of dependents here?

The WITNESS: The administration of discipline is not my direct responsibility; but my understanding of the point which the adjutant-general wished to bring out is contained in paragraph 8. It is not a suggestion that there should not be a change, but a question of a misunderstanding of any change. The two officers and, as you know, the minister, who were responsible for the drafting of this regulation, so far as the army part of the matter is concerned, were of the Department of Veterans Affairs and the Department of Pensions and National Health, and have retired, but I am informed this morning that a very capable officer who has just returned from overseas, a member of the legal profession, is now studying the whole question of the basis of granting discharges under the terms of misconduct and various allied clauses. That matter is now being studied—that is, the point that the adjutant-general brought out here. His feeling was that possibly the army should restudy the question as to when and under what circumstances a man should be discharged under the misconduct clause. That is the point, sir, he wished to bring out.

The CHAIRMAN: There was one other thing you might explain to the committee: the suggestion of the good service the board of review might perform in causing dishonourable discharges to be reviewed. I think there is a suggestion of that in the letter. It says that the board of review is doing good work in causing the review of certain dishonourable discharges.

The WITNESS: The board of review is studying all cases regarding detention awarded by court martial of over ninety days. All cases of over ninety days regarding persons now serving in the case of detention in Canada are being studied and recommendations are being brought forward very quickly by the board of review. It is my understanding that as the result of that some reductions are being made, and district officers commanding are being given authority to act very quickly. I am not aware of any changes being made.

Mr. GREEN: Is the Brigadier referring to another board of review?

Mr. BENTLEY: We just passed a resolution moved by Mr. Sinclair to speed things up by dealing with this Act. Now, are we going to have to wait before we deal with this misconduct clause until the army authorities have finally decided what will be misconduct?

Mr. CROLL: No, no.

The CHAIRMAN: That has to do with army administration with which we are not concerned except as members of parliament.

Mr. BENTLEY: It will be wrapped up in the recommendations in that letter.

The CHAIRMAN: I put that letter on the record so that members will have it as members of parliament as regards their duties outside of this committee. I wonder if the Brigadier would clear that up.

The WITNESS: I am afraid—do you mean Brigadier Topp's board of review?

The CHAIRMAN: Yes.

The WITNESS: No, I am not familiar with it.

Mr. GREEN: Would the Brigadier state what board of review he is talking about? We have heard of Brigadier Topp's board of review; apparently there is another one.

The CHAIRMAN: It would be internal army administration.

Mr. GREEN: No, I think it is a board of review to review court martials where a certain penalty is in question.

Mr. CROLL: Is not that the board that Mr. Justice McKay and Colonel O'Connor are on? They are reviewing decisions of courts martial to try to make them uniform and to see whether there are hardships. Representations were made to the minister and as a result of those representations a board of review was appointed for the purpose of sitting on these cases to see whether there were some hardships. That, I think, is the reference.

Mr. WRIGHT: Am I to understand from the speaker who has just spoken that they are reviewing disciplinary measures in the army because of this Act?

The WITNESS: No, not at all. We are continually reviewing them. District officers review every week the cases of those who have been sentenced. The reviewing of the other board of review about which I was asked the question was Brigadier Topp's board of review to which are sent all the cases by the pay-master general's department.

Mr. PROBE: Notwithstanding the reviews there were still about 4,400 dishonourable discharges.

The WITNESS: No, that board of review has not, to my knowledge—it may have—changed any of the bases of discharge. The basis of discharge is that determined in the district when the man is discharged by the commanding officer.

The CHAIRMAN: The evidence was that Brigadier Topp's committee sometimes called attention to a dishonourable discharge and it is reviewed and altered, as I heard the evidence. I think that is what that letter refers to.

Now, gentlemen, are we ready for the motion that was moved, that a subsection be added as subsection 5 that: The board may exempt any person from the operation of section 11 or section 12 of this Act in any case where it is the opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits under this Act.

Mr. MUTCH: May I say a word on my own motion? Yesterday when I made this motion I did not inquire, as I meant to do, as to whether leaving section (2) of 12B as it is, would permit under the clause "in any other case in which such authorities deem fit" continuation of the referral of persons who were not dishonourably discharged to Brigadier Topp's board with a view to that board determining whether or not they should in effect have been discharged dishonourably and deprived of the gratuity. My understanding of the statement which we got from the minister was that he would accept the motion which I made yesterday—I think it went a little further than that—that he would deny the other clause, which was 6, that is the clause which would have given the board the power to deny the gratuity to people who were honourably discharged. No. 6 was stricken out. Now, I am wondering if under section (2) of 12B it is not still possible for the case of a man who was honourably discharged to get to that board for consideration. I am not a lawyer and I would like to be sure of this, and whether my motion alone will accomplish that which the minister conceded to the committee he was prepared to do: that is to eliminate the provision for referral to that board of anyone who was not dishonourably discharged. I would like the opinion of our legal counsel as to whether or not it would be advantageous to rewrite (1) or (2)—at any rate (2)—to strike out "in any other case in which such authorities deem fit". I think if we are going to deny to the board under the Act the right to look behind a clear discharge that we ought to see that the board are not tempted to look behind by having any such cases referred to them at all.

Mr. CROLL: They have not any right.

Mr. MUTCH: They have not except under this clause, and we know they are doing it.

The CHAIRMAN: I think we should make it very plain that gratuities are to be paid except in the case of discharge for misconduct, and in that event the board of review only have the right to review.

Mr. CROLL: There is one question that arises in my mind and I should like to have Brigadier Topp's view with regard to it. In the event of the board coming to the conclusion that a man who has been discharged dishonourably is entitled to his gratuity will they then, under those circumstances, change his discharge certificate which, of course, he carries along with him for the rest of his life and, as Mr. Gillis has pointed out, is a blemish upon him if he attempts to obtain employment.

Brigadier TOPP: I can only answer that by stating that under the Act as at present the board has no power to do these things except by consent of the services. It follows, therefore, that when we have a misconduct discharge that is undoubtedly severe we refer that back to the service with the suggestion that the discharge certificate be altered. It is so altered and the misconduct discharge certificate is called in and a new one is sent out. Whether the amendment now before the committee implies the same effect, I am not prepared to say.

Mr. QUELCH: I have not yesterday's report before me, but if I remember well, when we adjourned we were discussing a proposed amendment to the amendment moved by General Pearkes. Is that amendment to the amendment before the committee?

The CHAIRMAN: At the close of the committee's session yesterday I understood that Mr. Pearkes was going to deal with the amendment if he so decided this morning, and I am taking it that he is not pressing his amendment. If he is pressing it we can receive it.

Mr. PEARKES: I am not at all sure where you got your information.

Mr. ROSS: A pious hope.

Mr. PEARKES: As you know, there was a rather heated discussion before the close of our meeting yesterday on a subject on which we had the discussion at a former meeting and I moved an amendment to the amendment. I was asked to dictate that verbally at a moment's notice. I would like to withdraw the actual wording of that amendment to the amendment and submit a clearer and more clear-cut amendment to that amendment.

The CHAIRMAN: Have you got it with you now?

Mr. PEARKES: Yes, the amendment is that we delete sections 11 and 12. May I make that change?

The CHAIRMAN: That was the understanding. You may do so if you wish.

Mr. PEARKES: I would like to speak to that matter for a few minutes. I want to make this a clear-cut case because on further examination I find it to be very difficult to separate what might be termed purely military crimes from civil crimes, because the two interlock in very many cases. In some cases men are tried for civil crimes by a military court and in other cases crimes which could have been tried under the army Act have been referred to civil courts. Now, I feel that I cannot altogether agree with the spirit of the letter that you have read to-day from the adjutant-general, in which he indicates that the spirit behind all the instructions which have been given to the troops is that this grant is a reward for good service that has been given. My interpretation of this grant has been in the main that it is a rehabilitation grant to give a man an opportunity of settling down into civil life as soon as he is discharged from the army, and I believe that that is how the troops overseas and in Canada regard that. I suggest that in this pamphlet called "Back to Civil Life", which has been largely distributed amongst the troops, the benefit of this grant as a rehabilitation grant has been stressed rather than the fact

that it is a reward for good service. It is true that on page 36 of this pamphlet in a rather long paragraph it says: "Those eligible are ex-service personnel who have served on active service..." and so forth, and it goes on to define where they could have served, and in the middle of the paragraph it mentions, "and who have been honourably discharged"; and in the next paragraph—which stands out far more prominently in this pamphlet—it says: "the war service gratuity consists of a basic gratuity payable to everyone...", and it goes on to deal with the supplementary gratuity and the amounts a man can get. On the next page it says that the soldier will receive a rehabilitation grant of thirty days' pay and allowances and his clothing allowance immediately on discharge. I suggest that the real emphasis in this pamphlet has been placed on this grant being given as a rehabilitation grant.

Now, we know what the penalties are for military crimes and so forth. The point at issue is whether it is necessary to refer these cases of dishonourable discharge to a board or boards, and I am not quite clear whether there is one board or whether there are two boards. I did not get quite clear what was said this morning, but there must inevitably be delay and expense incurred in maintaining these boards, with these boards sifting through the various cases which are submitted to them. I contend that the time that a man needs his rehabilitation grant is as soon as he is discharged from the army, because that is the difficult period when he is trying to find a job around the country and has got very little money, and the class of soldiers who have got the least money are those men who are being discharged after a term of imprisonment. They have been deprived of their pay, naturally, while they were serving their term of imprisonment. Furthermore they are deprived—and rightly so—of their rehabilitation grants, or these credits, during that time they are under sentence. So it happens that they have very little money with which to go and look for a job when they are sent into civil life. If we deprive them of this rehabilitation grant, which is not a large sum, it simply means that we are turning these men who may not have been criminally inclined—may have committed some military misdemeanour—we are turning them loose on the streets of Canada and furthermore turning them into a criminal class to get further and further into trouble. This small grant we give them now to get them re-established I believe may go quite a long way to remove that danger of their joining the criminal classes in this country. I do not think there should be any delays placed in the way of any award or grant to them.

Now, with regard to the types of crimes. If I may refer to that for a moment, it must be remembered that during the first years of the war there was no thought of any rehabilitation grant; such a thing was not on the statute books at that time; and therefore men who were in England or Canada during the first years of the war and were sentenced received their sentence, and whatever punishment the court gave them was given without any thought of its effect upon a rehabilitation grant. I suggest that it can only have been within a very recent time that the courts, if they took into account the reduction of the rehabilitation grant, will have done so; but I do not believe that a court will take into question whether a man is going to be deprived of his rehabilitation grant or not, because the court is governed by the penalties which may be inflicted according to the army Act. Now, I do suggest that during those early months of the war our soldiers were serving under most unusual circumstances. Remember, we did not have any large standing army; we had a very small permanent force; therefore, we went out into the streets and the countryside to enlist any man who would come forward in order to bring the units of the first troops to be sent overseas up to strength. There was a period of fifteen days' mobilization given to commanding officers. They had to raise their units up to strength in fifteen days. Therefore, they could not be any too "choosy" regarding the type of men who came in. Those men went over to

England. They were living amongst a population that welcomed them as heroes who had come to save the Old Country; and it seems to me they were living amongst a civilian population who, perhaps, cast covetous eyes on many of the things that our soldiers had. Our soldiers had a better ration than the civilians, more blankets; they had steel helmets, respirators which the home guard wanted, and, therefore, temptations were placed in the way of the soldiers. There were cases in which rations were sold by quarter-masters and cooks; there were cases, many cases perhaps, of blankets being sold as well as steel helmets and respirators. Those cases were tried by courts because of that quick mobilization and because of the fact that the commanding officers were trying to step up their units and to make them just as good as it was possible. Men given an opportunity of being discharged, perhaps as the result of a trial in a civil court or as the result of a court martial, were let out pretty quickly, because it was always felt that we could get better soldiers who would come over with the reinforcements. But I ask whether these were better citizens than those first men who went over, because those men were the first volunteers; and while they may not have been the strongest in character and may have weakened with the temptations put in their way, they had the spirit to go over in the early days of the war. Therefore, I do not think we should do anything to make it difficult for these men to become re-established.

Now, I know it will be said that there are some very much more serious cases. Of course, there are a few. I do stress, however, that there are a very few cases. There may have been one or two men who have been tried for giving information to the enemy or for treason. There may have been half a dozen men who have been tried for manslaughter, and if they have been convicted in those cases they will be serving long terms of imprisonment. But even those men when they come out into civil life will need all the help they can possibly get and we should do nothing to throw those men into the criminal classes. There will be cases of men who have deserted, perhaps in Canada or in the face of the enemy—a few cases. Those who have deserted in the face of the enemy may have put greater difficulties upon those men who did not desert; but I do suggest that those cases are not the majority of the cases by any means and that now is the time for us to consider the welfare of this country rather than to enforce justice without tempering it with mercy. It is in the interests of this country that all returned soldiers have a chance to get re-established; and I do not believe that the statement given out now that rehabilitation grants will be paid for all honourable service—that is, for all service which has been performed and where the man has drawn his pay for that service—but will not be given for service during periods of detention, would adversely affect the discipline of the army of occupation or the troops who are now waiting for their demobilization. If a man deserts or goes absent without leave, the fact that he is going to have a few dollars retained or given him back when he comes and surrenders himself will not urge him to come back any more quickly. I do not believe that it will really have the effect on the discipline of the army that is suggested in the letter which you have read this morning, Mr. Chairman.

Therefore I should like to move an amendment to the amendment, in order to save time, to relieve the country of the expense of keeping this board or these boards going, that we make a clear-cut issue of this and that we delete from this Act sections 11 and 12.

Mr. Ross (*Souris*): Mr. Chairman, I do not know whether a seconder is required in this committee stage on this amendment; but if so, I should be pleased to second the amendment moved by Mr. Pearkes. I think he has set forth his reasons very clearly—just as I would expect him to do, having known him as a very practical soldier in a high administrative office and having a lengthy and wide experience—for the case which he has spoken of. With respect to the staff or army point of view as set forth in the brief which you, Mr. Chairman, read

into the record this morning, I think the influence as to the attitude of the troops generally overseas is rather unbecoming—in my opinion at least—at this time. When a civil court sentences a person for some misdemeanour and he has served his sentence, whatever it may be and is released, then I think you will find that the people of this nation generally assist to re-establish that unfortunate person and his dependents in our society immediately upon his release. It has been pointed out this morning that even in these serious offences the person carries out his sentence. Why after that sentence is performed and he is released, we as practical service men in this committee should wish him to carry that stigma throughout civil life, I cannot understand. I think it should be our duty, and it was very well set out by the young member from Provencher yesterday that it was our duty as set out in all these Acts and pamphlets to re-establish all these people and their dependents again. That is the thought we should have before us. I for one certainly do not believe that any harm would be done by our wiping out sections 11 and 12 at this time, and making all those forms of re-establishment available to all of these service forces who have done such splendid work for us overseas. I think they should have these grants available. I trust that this committee will support this amendment to abolish those sections 11 and 12.

We have established so many boards that a most complex problem is going to be faced by the service men and their dependents, who have their grievances; those applications, as we know from past experience, will pile up in these various boards, and will aggravate the situation. They will have to wait for hearing and re-hearing and so forth. We are going to have plenty of boards set up without our trying to clutter up the situation with more boards and more confusion. I would hope that this committee would support this amendment in the interests of all these service men and their dependents who, I think, are well deserving of these re-establishment and rehabilitation grants, as set forth.

Mr. JUTRAS: Mr. Chairman, I am in full agreement that the stigma mentioned by the two previous speakers should definitely not remain or at least that we should try to remove that from the discharge certificate. I know that there are quite a few in this committee who are of the same opinion. I think it is most vital and important. However, I am not any too sure now that we are not a bit late after the letter that has been read to us this morning. I think that we have more or less a fait accompli before us, whether rightly or wrongly, and I do not propose to enter into the merits of it. I think the Act has been interpreted in the services in such a way that it may have very serious repercussions if we were to cut out the two sections 11 and 12. Yesterday my main concern, as I pointed out, was to try to get rid of as much red tape as possible in the administration of these sections. As I pointed out yesterday, my idea was to try to separate and distinguish between military and civil. Mr. Pearkes has just mentioned that he thinks that is almost impossible to do. Last night I discussed it very fully with a lot of other members and we tried in various ways to arrive at a solution; I am of opinion now that it is very difficult to achieve that. Exactly where are we to draw the line? It becomes quite a problem. After reviewing the whole thing, I do not know if we are not just as wise to keep the Act as it stands, with probably some change in the definition. After all, the concern here is to be fair to all and try to make it as expeditious as possible for the administration. We have to take the situation as it faces us to-day, and I know I would not myself want to be in any way responsible for any unfortunate repercussions that it may have in the services. So I am not any too sure that it would be wise to cut off entirely sections 11 and 12 at this stage. But I should like to see a way of reducing the red tape that is involved in all that administration, as well as keeping the spirit of the Act.

Mr. QUELCH: Mr. Chairman, I think the main point that this committee has to keep in mind is this. The various grants that we are going to make to our returned men are for the purpose of rehabilitation. They should not, I think, be considered in the form of a reward. They are for the purpose of seeing that these men are rehabilitated in the best way possible. I take great exception to the suggestion that these grants should be looked upon as a form of bribe and nothing else; and when you suggest that these measures are for the purpose of persuading the men to behave well, you are suggesting that you try to bribe these men to behave well by promising grants provided they have an honourable discharge. I think it is very unfortunate that that matter has ever been raised.

Some hon. MEMBERS: Hear, hear.

Mr. QUELCH: I would say that the men who would be in the greatest need of help to become rehabilitated will be those men who receive a dishonourable discharge. Any time they come to industry to get a job, they are asked to tender their discharge certificate which will show that they were discharged dishonourably. That is certainly going to greatly endanger the possibility of these men getting a job.

Furthermore, not satisfied with that, we are now going to suggest that they lose all the benefits. In other words, we are going to force some of these men into a life of crime. It will make it practically impossible for those men to be re-absorbed in industry and we are removing all the monetary benefits that would help to get them re-established.

Let us remember this. This amendment will not automatically give to a man with a dishonourable discharge all the benefits of the rehabilitation proposals before the committee. For instance, take the question of the Veterans' Land Act. If a man receives a dishonourable discharge, and his sheet shows that a great deal of crime has been committed during his time in the army, I think it is evident that when the Veterans' Land Act Board consider his case they will probably rule that that man would not make a suitable settler, that he would not pay the loan, and in all probability that man would be debarred from going onto the land, even though section 11 and section 12 were wiped out. I want to stress that fact, that the wiping out of these two sections does not automatically award all the benefits of the rehabilitation measures to a man with a dishonourable discharge. I think that the main justification for wiping out these two sections is the fact that when a man commits a crime he is punished and that punishment is supposed to fit the crime. If not, there is something wrong with the court that punished him. If the punishment that was awarded that man at the time he committed his crime was a just punishment—and in most cases I think that it will be found that it was—then I would suggest that in addition to that punishment we would add a still further punishment by depriving him of all his benefits. In many cases it will result in a punishment being awarded to that man far in excess of the crime he has committed.

Some hon. MEMBERS: Hear, hear.

Mr. QUELCH: As to the effect on discipline which we have heard about—well, I hope discipline in the army has not come to such a pass that it becomes now necessary to bribe these men to behave themselves, because that is what you are suggesting when you say that you dare not remove those sections 11 and 12 because you are afraid of the effect it will have on the army. Surely army discipline can maintain good conduct on the part of the men.

Mr. SINCLAIR: Will you permit one question there?

Mr. QUELCH: Yes.

Mr. SINCLAIR: Where do you see the difference between the supposed threat to remove the gratuity if he does not behave and the same threat which is embodied in the army K.R. & O., as well as the air force regulations, saying

that if you do this you will get 28 days detention and stoppage of pay. It is exactly the same sort of threat, if you want to call it that. It is going to affect his pocket book. He knows it in advance.

Mr. QUELCH: Yes, but that deals with a man's misconduct during the war. It is to maintain discipline during the war. But this measure is to punish a man in peace time after he gets back in civilian life. This is a rehabilitation measure, not a reward for services rendered; and as I have already said, the men with a dishonourable discharge are going to have a far harder job becoming rehabilitated than those men with a normal one. I suggest the mere fact that they have a dishonourable discharge will place a stigma on them for the rest of their lives and always handicap them in obtaining a job.

Another point is this. I do not think it is fair to the dependents of these men. As far as those dependents are concerned, they have given their husbands or their sons for their country; in some cases they have been killed and in some cases they have been wounded. If we are going to debar those dependents from receiving any benefits because the husband or son was guilty of misconduct during his service, then I think we are venting our spite upon people who should not be dealt with in that way. Therefore I propose to support the amendment.

Mr. HERRIDGE: I rise to support the amendment to the amendment moved by Mr. Pearkes. I think he made an excellent presentation of the case. I certainly join with the previous speaker in resenting very much the suggestion that our troops overseas or at home have to be bribed in order to maintain discipline. There is just one point I wish to make in connection with this discussion and it is this. At the present time there is a great and growing demand in this country and in other countries for schemes for the rehabilitation of civilians who have committed crimes, who have been guilty of misconduct. That is the new approach to life. That is the more humane approach. Surely, Mr. Chairman and gentlemen, we can take the same attitude towards our men who volunteered for service overseas.

Mr. WRIGHT: I should like to add my word to that of those who have already spoken in favour of this amendment to the amendment. I think Mr. Pearkes and Mr. Ross and other speakers have covered it very thoroughly, and I do not want to go over the ground that they have already covered. But I should like to point out this. We have been told that this is necessary as a disciplinary measure. We are going to have men who have gone all through this war and given very good service to this country—three, four, five years of service—and who now, in the period after the war overseas, while awaiting return, commit some crime; and we are going to use this crime to take away their gratuity from them after they have given good service of three, four or five years to this country. That seems to me to be ridiculous. It is not, I do not think, what this committee would want, that we should use this as a disciplinary measure and take away from men who have given good service to this country during a war, the rights to which they should be entitled under this Act.

Then there is another matter I should like to mention and it is with respect to the manner in which cases are brought before the board, as it is at present, Mr. Topp's board. The men are not given an opportunity to go before that board and present their cases. They are tried in absentia, without being there to argue their cases before the board. It does not seem to me to be British justice, that a man should be tried by a board or sentenced, or his gratuity taken away, without himself being able to appear there before the board and present his case. Therefore I think that the amendment to the amendment suggested by Mr. Pearkes is a good amendment, and I will support it.

Mr. WHITE: I just want to say a word in regard to the amendment moved by Mr. Pearkes and seconded by Mr. Ross, and to indicate that I support it in every

way. General Pearkes covered many of the main features very clearly, and I think if the members of the committee want any further argument, all they have to do is to read again the letter that the chairman read this morning. If ever the brass-hat complex was revealed, it was clearly revealed in that letter.

Some Hon. MEMBERS: Hear, hear.

Mr. WHITE: I for one hope that the press will publish that letter in full, so that the people of Canada and the dependents of the men in the armed forces may understand just what the brass hat complex in Ottawa think about the measures that are necessary to maintain discipline among the Canadian boys overseas.

I should like to point out to the committee that if sections 11 and 12 remain in the Act, it is going to be impossible in the future to see that these men who have been dishonourably discharged receive any benefits at all, because it cannot be changed unless the Act is amended; and if these sections pass, I think I am safe in saying that the Act will never be amended in that respect.

I point out further that a few days ago Colonel Brooks made a suggestion to this committee which was perhaps overlooked, or at least some did not attach the significance to it which it merited. That was that under our system of British justice, once a man was tried for an offence he cannot be tried a second time. Yet gentlemen, in every case in which a man has been dishonourably discharged, he is now being tried and penalized a second time. That is contrary to the first fundamental principle of British justice. I have only to remind all the members of this committee that every one of us has served in the army, whether in the first war or in the second war. You have only to go back in your minds, and each one of you probably will recall many times when perhaps you, except for a little bit of good luck, might have been in exactly the same position as many of these boys find themselves to-day.

Some Hon. MEMBERS: Hear, hear.

Mr. WHITE: When many of these men were court-martialled, the War Service Gratuities Act and many of these provisions regarding rehabilitation were not in effect. They received their sentence and their punishment under K.R. and O. Now, this Act is a civil matter; and I submit, Mr. Chairman, that we have no right or no justification to go back at this late date and take away from these men who have already been punished, and who will probably have a punishment for the rest of their lives, these many benefits and deprive their dependents and their wives of their just dues. Many of these punishments are for crimes of a purely military nature, crimes that would not even be considered in a civil court of any kind.

Much has been said about these boards. I for one think, Mr. Chairman, that we have far too many boards. Everything we have to do is through boards and red tape; and I can well imagine, despite the explanation that Brigadier Topp gave us the other day as to the procedure before this board, exactly what happens. He stated that an officer of the service in which the man had enlisted reviewed the file and made a notation. But I point out, Mr. Chairman, that the poor unfortunate man, who is the man most concerned, is not present nor is there any disinterested person present on his behalf, to point out any of the matters or circumstances that might be in his favour. It is well known to you, Mr. Chairman, as a lawyer, that in any criminal court in Canada no judge or magistrate would even consider proceeding with a case unless the accused was represented by independent counsel. To me, Mr. Chairman, it seems most unfair that we have a board of these senior high-ranking brass hats again who are going to pass final judgment on a man who perhaps has given a long period of service, without any mark against him; and who, because perhaps of some slip under purely military law, is going to be penalized for the rest of his life, and that when that decision is made there is no provision for any one being present to say anything on his behalf.

I would also point out that under the procedure in Canada, there were thousands and thousands of desertions by men under the N.R.M.A.; and every one in this committee knows that these men have been dealt with in a very very lenient manner. Right today there is on the order paper of the House of Commons a resolution or a notice of resolution whereby these men will be forgiven, whereby everything will be forgotten and will be forgiven.

I appeal to the members of the committee, do not let us deal harshly with these men; because as I said before, many of us in the past who have served in the army have skated on very thin ice. Let us give these boys a break, and let us take out these two very objectionable sections 11 and 12.

The CHAIRMAN: As this goes out all over the country, I think we should keep the record as straight as possible. I do not say this in criticism of the last speaker, but just so the record may be clear. The last speaker and some others have suggested that in this proposed bill we are taking away benefits. It is known to the committee, but it cannot be known to those who read this record, that parliament last year provided for a gratuity being paid only to those who had an honourable discharge, and that we are proposing in this bill to provide that those who got a dishonourable discharge may get it on the order of this review board. So let us not have it sent out to the country that we are taking something away. We are giving something in this bill. Any one who reads the War Service Grants Act will find it clearly set out in this red book that a person with a dishonourable discharge, by the decision of parliament last year, did not get the gratuity; and we are proposing that we allow that person to apply to a board, on which there will be a representative of the organized veterans as well as a representative of the services, to give him a gratuity in spite of getting a dishonourable discharge. So that it is proposed that we do two things, give a gratuity to the person with a dishonourable discharge and to put on that board a representative of the returned soldiers so see that he gets a square deal. When anybody says, and it goes on the record, that we are proposing to take something away from the returned soldier by this bill, then I think it right that I should correct it because it goes out all over the country.

Mr. QUELCH: Nevertheless, Mr. Chairman, is it not true that we have this bill before us, and if the bill carries or if sections 11 and 12 carry, that does mean that these soldiers with a dishonourable discharge will not get any benefits?

The CHAIRMAN: Yes, they will get benefits. The purpose of the amendment moved is that a person with a dishonourable discharge can apply for a gratuity to this board—on which it is suggested there will be a representative of the organized veterans of Canada—which will consider his service and whether under all the circumstances, in spite of the fact that he got a dishonourable discharge, he should get the gratuity.

Mr. QUELCH: But even so, when it is referred to the board—and the evidence of Brigadier Topp substantiates it—many of these men will still be deprived of the benefits under this Act because of misconduct.

The CHAIRMAN: But under the present Act as passed by parliament, which we are amending now, nobody with a dishonourable discharge could get a gratuity. It is suggested that we put it in a bill that a board be set up, appointed by the Minister of Veterans Affairs, on which the returned soldiers are represented, to see that in spite of a dishonourable discharge he will get this gratuity. I realize that there are lots of arguments, but you are driven to asking yourself whether the people of the country are going to approve of sweeping away that thing whereby as a result, a man who may have committed treason, a man who may have had intelligence with the enemy, a man who may have committed the most heinous offences, will on his discharge get a

gratuity. The amendment to the amendment goes that far; no matter how heinous the offence, you are going to give him the gratuity. What the amendment suggests is that you give the board, representing the armed services and the veterans of this country, a chance to decide whether the circumstances warrant that he get a gratuity or not, in spite of getting a dishonourable discharge.

Mr. SINCLAIR: I apparently am the first to oppose this amendment to the amendment. I do so for various reasons which I shall try to make clear. First of all, to a certain extent I appreciate and understand the sentiments expressed by the adjutant-general in his letter. Earlier in this committee, when the representatives from the air force were before the committee, I discussed at some length this matter of misconduct and the types of misconduct which there were; and then as an example I used the word "threat" which has been issued by the air force and promulgated to the men across this country, that unless their conduct was good during this very difficult period awaiting repatriation and discharge, their gratuity might be imperilled. I asked the witness how many gratuities actually had been lost because of that threat and he was able to assure me that there were none. But the fact remains that in the air force that threat was used and they used it to very good effect in that we in the air force have had no Aldershots and no Halifaxes.

I will go a little farther than that. As far as the effect of it is concerned, I for the life of me cannot see any difference between telling a man that unless his conduct stays good, he might imperil his gratuity, and telling him the same thing through K.R. & O., that unless his conduct is good he is going to face confinement to barracks and stoppage of pay.

Mr. QUELCH: But K.R. & O. does not say, on the contrary, that if you are good you will be rewarded for it by some special benefits.

Mr. SINCLAIR: Well, the men who served during the war will get their benefits. The benefits of the service are well known.

Mr. COCKERAM: May I ask a question here?

Mr. SINCLAIR: Yes.

Mr. COCKERAM: Does not your argument mean that the commanding officer can, if the man in question is what he calls an undesirable man, immediately discharge him and get him out of the army, and he loses his gratuity? A lot of commanding officers would go to that length.

Mr. SINCLAIR: I am glad you raised that point. The second point is that a great deal has been made of this stigma of a dishonourable discharge. To a certain extent a dishonourable discharge, when it is deserved, is a protection to the public. When the man in the service of his country is proved thoroughly unreliable he is likely to prove equally so in the service of some future employer, and no dishonourable discharge was given for no cause. There is one reason in my own service why I can never subscribe to the wholesale payment of gratuities to a man with a dishonourable discharge, and that is a very delicate and sensitive one in the armed forces, which is lack of moral fibre. There is no more delicate one in the air force.

There is another question which should have considerable interest, and I raised it when the air commodore was before the committee, and I wish to raise it now, because that, to my mind, more than any other charge for misconduct, is the reason why I will not subscribe to the payment of gratuities to men who have been discharged for lack of moral fibre. We have, unfortunately, in Canada some young lads who joined the air force because of the glamour, because of the uniform or because of the pay, and when they came to England before they started flying or after they first flew they decided it

would be better to be live cowards than dead heroes, and they refused to fly. The air force handled that situation in very good fashion. They had boards consisting entirely of operational air-crew, those men who had been through it, and psychiatrists, to decide whether these were genuine nervous cases or genuine cases of cowardice, and in those cases of cowardice they were sent very quickly back to Canada and discharged for misconduct. When you tell me that men like that who came back to Canada to be discharged are entitled to payment by a grateful country, and compare them with the lads who were just as frightened but had the courage to go on and face the show-down; when you tell me that these men deserve gratuities to be paid by the fathers and mothers and brothers and sisters of those who died, I cannot go that far. I do go this far and say that surely there are many cases of misconduct for military crimes for which we of this committee have been unable to set up a standard of what can be forgiven and on the other hand such crimes as supplying information to the enemy or committing treason.

The board of review, I think, can serve an important purpose. What we are proposing to do is to give this gratuity to any man with an honourable discharge. Everybody will agree that some may get by who really do not, perhaps, deserve the gratuity, and there will be questionable cases which get honourable discharges. But when we have a board of review which will pass on all these cases of discharges for misconduct surely there can be a sorting out of those who have committed what might be termed a trivial sort of crime and those things which are a treachery to the country. There are some men whose service, far from being a help to this country in times of war was a definite hindrance, and I say that almost every war worker in Canada would be more entitled than these. I cannot see that men like that are entitled to any further consideration from the country. I have a little exception to take to the remarks of Mr. White about this board of review as far as the brass hats are concerned. I was never one. I have no more love for them than have the rest of the men in the service. But we have here as the chairman of this board of review a man who may be a brass hat but who is a man who wears two decorations for gallantry on the field of action. He has come before this committee and has given a most understanding presentation of the problems which face us, and I say, as a soldier and an airman, that we can set up a board of review with men of the capabilities and understanding of a man like Brigadier Topp, which is much better than passing holus-bolus legislation giving gratuities as a right to every fellow who is discharged from the service for crimes which we as soldiers cannot condone.

Then, I say having these cases of misconduct passed upon by such a board of review will, I think, meet with the desires of the vast majority of the people of Canada and the veterans of this country. I suggest that most careful attention should be paid to seeing that this board of review has on it the type of people we would like to see on it.

Mr. ASHBY: War itself is a crime committed on human society by power-loving maniacs who use us for their ends. War means rules and regulations which are man-made—discipline for human beings or live stock—and General Pearkes would be a good livestock man—in order to force human beings to live in an unnatural way, and they are bound to rebel against it sooner or later. My friend who spoke a moment ago mentioned the lack of moral fibre. I would not class it as that at all. It is unnatural for men to fly in man-made planes, and nature says don't fly. That is what nature says. Man says, you will fly for this, that and the other reason. So I would classify all these so-called crimes not against God or against nature but against man-made regulations. It is our duty as representatives of the people to represent these individuals, and to see that these individuals obtain what they want from the administration of their affairs.

My friend asked whether we should tax the people of Canada to reward these men, and I said no.

Mr. SINCLAIR: They might not like your printing press point of view.

Mr. ASHBY: No, we should not tax or impose poverty upon others in order to reward others, but we can at the same time reward these men; and without taking up any more of the time of the committee I am going to vote to strike out sections 11 and 12.

Mr. BAKER: I would like to speak on the other side. I have never been a brass hat, unfortunately, but I have been a regimental officer for six years, and I have dealt with men in foreign countries, and I would say that we must have some deference for brass hats. There are all kinds of brass hats. Some of the finest men you would want to follow are brass hats; they are the fellows who got us through. Let us not classify everybody above the rank of a lieutenant colonel as brass hats and say that they do not know anything, because they do know something. I maintain that we must have consideration in the interest of discipline and good order. We must give some thought to the recommendations that come from the so-called brass hats. After all, they are dealing with the situation over there. If after all these men have been brought home you want to open the matter up, all right. I know you will say that this does not look after those fellows at the time they need rehabilitation. In the meantime, if we set up this board the members on the board will be carefully selected and there will be proper representation on the part of the men concerned to deal with each case individually. Now, there are some men who have been under my command that I would not care to see get their full grant without having certain matters considered. For example, there is the case of stealing from a farmer. We had a lot of trouble. There was a case of the kindly policeman in England who tried to keep everything in good order but who could not do anything with a certain individual and finally this individual beat this poor old cop up and practically emasculated him. I maintain that a fellow like that who has been continually a bad actor is a menace to society wherever he goes. I believe that if this board is properly set up, with the proper men on it, all these cases can be taken into consideration. I will admit that the majority of military offences committed might be considered trivial in civil life, and I have every sympathy with the men. As a matter of fact, after we started fighting in my battery most of the matters of discipline coming up to seven days' C.B. were settled by bare knuckles, and I found it was easier to have a black eye erased from a man's face than getting a man taken out of action. Therefore, I would suggest that in the interests of discipline at the present time—and I have every sympathy for what Mr. Quelch and Mr. Pearkes and Mr. Ross have said—that the only way you could control this matter now is by setting up a board. Then at a later date, after we have all our troops back, if there are cases which should be reconsidered or if there is any evidence of injustices we still have time to revise the thing. Let us give some consideration to what the brass hats have to say. Some of these brass hats who are now overseas are the men who led us through to victory, and I think they know what they are doing. I really think that the man who is with the troops in the country in which he is serving knows conditions much better than anybody else or he should not be there. I think, perhaps, after we have stayed here a little while we will change our views. We are with our wives and families and we become a little bit softer. But I do believe that until we get these men home military discipline must be maintained and that we must not provide any loopholes. I may become very unpopular for having said this, but I really think it is the case.

Mr. BLAIR: We must have military discipline; we could not run an army without it; but we must also consider these boys who have been taken away from society and from restraining influences and who for four years have been trained intensively in war. My mind goes back to the last war. Take the attitude in regard to bayonet fighting. If a man did not put some pep into his work the sergeant told him to stick it in, to make a job of it. Now, these boys have been taught that sort of thing for four years, taught to kill because war is a pretty grim business. You could not possibly raise an army without having some men in it who would not naturally go into crime at any time. Apart from that I should like to see the attitude considered by this committee that these boys were away for four years from their natural home influence; they were taught to kill, to commit crime in the legalized crime of war. If the board is going to be the people who make the judgment I say that this board should have some instruction from this committee in regard to these crimes, and that is a matter that should be considered.

Mr. BELZILE: Mr. Chairman, I do not agree with every point made by Mr. Pearkes because if we delete sections 11 and 12 we are coming to the conclusion that a gratuity is, in fact, some kind of additional pay to a man and that a man has a right to it. I think that the word "gratuity" means that it is some kind of reward, and I believe that sections 11 and 12 make a very clear distinction and that we should support them, because they make a distinction between felony and misdemeanour. By giving the board a chance to review the misdemeanours I believe that the soldier will profit. I was very much interested in Mr. Quelch's argument, but I believe that every man in the service who commits some crime has done so in a dual capacity; firstly, as a man, and, secondly, as a soldier, and by depriving him of his gratuity the army enforces discipline, and society by giving him some kind of sentence.

Mr. QUELCH: The army punishes him for his crime, does it not?

Mr. BELZILE: Yes. A man who comes before a court martial has every opportunity to defend himself, and on that account both society and the man have been protected. I feel that we should keep sections 11 and 12 as they are now because of the distinction they make.

Mr. CRUICKSHANK: Mr. Chairman, I am between the devil and the deep sea. Had we had a vote yesterday I would have voted with Mr. Pearkes. My own battalion was not affected, we had no crimes. I only wish that we had had a board like Brigadier Topp's board when I got out of the army; I might have got something. I disagree with some of these people who refer to brass hats in the way they do. When we use that term we are not referring to men with red tabs. I have every confidence in a board such as that presided over by Brigadier Topp, but I do want to know something about who are going to constitute that board. It is all very well to say that the men will be selected. The criticism I have to make about brass hats is that there are too many of them around Ottawa who have the destiny of the soldiers in their hands but who never saw a day's service overseas. As long as we have men with decorations for war service I have every confidence that the soldier will be well treated.

There is another point in connection with this board which I wish to bring up. Why should the other ranks not be represented? To sit on a board you do not have to be a colonel or a general. Why should there not be an N.C.O. or another rank on that board? Let there be some of the rank and file—the fighting men. I definitely desire that such men should be sitting on the board to say whether a man is going to be discharged for misconduct and lose his gratuity. Personally, I do not think you would have any argument about this matter at all if we had defined misconduct in the first place, and I believe that is the first thing we should have brought up. When we discussed this matter yesterday and the day before I recall that I was

inclined to agree with Mr. Pearkes and Mr. Quelch, and there is much to be said for their side of the argument because of the doubtful use of the word "misconduct". According to the interpretation of army officials one day's C.B. is misconduct. However, there is one thing about Mr. Quelch's argument that did impress me: he said that a soldier could be considered unreliable as regards the Veterans' Land Act. That has actually happened in this war in my own riding, where a man was refused a loan under the Veterans' Land Act because he was considered unreliable. I had that man in my house, and much like every other soldier he did not want to tell me the whole story. Then he told me the story. Among other things, he got mixed up with a woman in England. Now, should that man be deprived of his benefits? It is a case of a married man with two children in this country—a soldier buying a farm in the Fraser valley. There were several minor affairs on his misconduct sheet, but the man was unfortunate in getting into this mix-up in England. If there is a definition of what misconduct means, that must have been a serious offence. I do not know whether his record will show that. Unfortunately, his record can also show the man had twenty or thirty convictions through a commanding officer. Now, a lot of junior commanding officers in the last war meted out sentences, and I have no doubt in this war too, and I am perfectly sure that the officers in this war were not any more competent, if as competent, than were the officers in the last war who made out the sentences.

Mr. Chairman, I should like to support Mr. Pearkes' motion because it has a good deal of merit in it and is backed up by Mr. Quelch; on the other hand, I cannot go so far.

I cannot agree with one of the speakers who referred to what Mr. Sinclair had said. To me there is nothing as low in army life as cowardice in the service of your country. I disagree with the chairman in one regard because we are not concerned with matters of treason or of giving information to the enemy; they automatically draw either the death penalty or life sentence, and they obviously do not get rehabilitation.

Mr. Ross: These fellows will get the grant because the crime does not appear on the discharge sheet.

Mr. CRUICKSHANK: Pretty nearly everything up to spitting on the streets of London appears on the discharge sheet. I want some assurance. I realize the chairman cannot give it to me, but the Minister of National Defence is attending this meeting, and I am warning the minister that if any man sits on that board who did not see actual fighting service he will hear plenty from the Fraser river valley in the House of Commons.

Mr. LENNARD: I move that a recorded vote be taken.

Mr. CLEAVER: Mr. Chairman, may I have a word? It appears to me that the subject we are discussing has two parts. In the first place it has to do with the gratuity which represents one-half of the benefits under the Act; and in the second place it has to do with the re-establishment credits representing the other half of the benefits under the Act. I think, perhaps, that these two subjects merit different treatment. I should like to call attention to the fact that both of these benefits are based on the length of service of the man, and I cannot get away from the feeling that something more than appreciation is needed. I believe this Act is a recognition of a fact, the fact that these men have been serving us for \$1.40 a day when at the same time men making shells and what not have been earning from \$1 an hour to \$1.40 an hour, and I think we should keep that point in mind when we are dealing with this question.

I want to say at once that as far as the board is concerned, I have had some experience with the workings of the board in one or two cases which were called to my attention, and I have found the board to be very fair and very lenient in dealing with any matter that was in the nature of a minor misdemeanour.

But I also find that the board is hampered and cannot do what it thinks it should do because of the actual wording of the present order in council under which it is functioning.

Now, secondly, with regard to re-establishment credits, I think that the wife and the family will benefit more from these re-establishment credits than the man himself, and conversely if those credits are taken away we are penalizing the wife and the family. If you will refer to section 9 of the Act it defines the different expenditures for which these re-establishment credits can be used, and I find that the first one is the acquisition of a home. Now, who is going to suffer if we take away the re-establishment credits: we say to the wife and family that they shall not have a home. Then I come to the next: the repair or modernization of his home and the purchase of furniture, the purchase of household equipment. I think, Mr. Chairman, I have gone far enough to make my point clear on the record. When we are discussing any law I believe we should keep in mind one important fact that arises with respect to our laws when we are living in a democracy: you pass a law that has not almost universal approval and so long as you keep that law on the statute book it leads to a disregard of law. It is no exaggeration to say I have had scores of service men come into my office and come to my home and criticize and ridicule what is now going on in the armed forces, the commanding officers threatening—and that is the right word to use,—that if they are guilty of a minor offence they are liable to lose their gratuity. I do not think that adds anything at all to respect for discipline or respect for army law. I think the converse is true. I think it is just the same as certain prohibition laws that have gone too far. They lead to law-abiding citizens deliberately going out and breaking the law in order to show their disrespect for it and their disapproval of it.

Mr. CRUICKSHANK: Shame!

Mr. CLEAVER: I find myself reaching this conclusion, that insofar as commanding officers have used this Act to threaten men,—in effect saying that if you are not good boys, Santa Claus will not come,—I think to that extent they are doing a lot of harm to discipline in the armed forces.

Then there is the next point. If we leave the Act as it now is, we are taking to ourselves the right to add a \$2,000 fine as an additional penalty to a man who has already been tried, sentenced and awarded a penalty. We are adding that additional fine to him for committing an offence for which he has already been punished. Mr. Chairman, I find it very difficult to bring myself to the point where I can support anything of that nature. In the light of all this, I should like to urge this, Mr. Chairman. I think we can reach complete agreement. I do not think this committee should divide on this question. I think we are all agreed that men who have committed treason, men who have committed offences that are real offences, should not benefit in any way under the Act. But I think we equally agree that men who have committed minor offences should benefit under the Act, and that their dependents should benefit under the Act. I think we should leave this question over, think it over in our offices carefully, and it might be wise to set up a little subcommittee of this committee to draft an amendment to these sections. I do not think we can safely delete them because if we delete them we go farther than any of us wants to go. I do not think that even Mr. Pearkes wants to go that far. I do not think he wants the gratuity to be paid to a traitor. But I do heartily sympathize with the thought which he expressed when he spoke to the committee this morning. So therefore, Mr. Chairman, I would suggest that we do not hurry this. It is an extremely important matter. I do not think we should divide the committee by way of amendment and amendment to the amendment, and have a recorded vote and all that sort of thing. I think we are a lot closer to agreement than would appear by all these amendments and sub-amendments,

and I think we ought to wait until a proposal is brought forward that will meet all our views.

Some Hon. MEMBERS: Question.

Mr. GILLIS: Mr. Chairman, I am —

The CHAIRMAN: Just before you speak, Mr. Gillis, I may say that our custom is to adjourn at 12.30. However, Mr. Gillis says he will only take a few minutes. If we can hear him, then perhaps if nobody else wants to speak on this, we can adjourn this or take a vote on it, whichever the committee wants to do.

An Hon. MEMBER: Let us get it over.

Mr. GILLIS: Mr. Chairman, I am in agreement with the last speaker. That is pretty much the line I myself intended to follow. The matter is a very contentious one; and sections 11 and 12, as they now stand, I do not think can be supported by a lot of the members of this committee. Then, on the other hand, we are placed in the position now where we are going to divide the committee on another amendment that is pretty wide; and a lot of members would hesitate to support the amendment if the chairman's interpretation is correct, that it is throwing the whole thing wide open to men who committed treason and all that kind of thing. I do not think any member of this committee wants to go that far. I think Mr. Cleaver's suggestion that we should take a little more time is a good one. We have made progress. I was very pleased this morning to hear of this new board of review examining into all misconduct discharges. That is a new development and I think it is a step in the right direction. I have not any criticism to make of General Topp's board. I have had some experience with it, and I found that it was working very well; there really is some machinery being developed. The thing I do not like to see is this committee dividing on this question and going back in the House and fighting it out publicly in there. I think we should let this stand, further consider it, and if necessary write into Mr. Pearkes' amendment definitions that would preclude any suggestion that the chairman's idea is correct, that we open it wide open regardless of what the crime may have been. I do not want to occupy any more time. I am very intensely interested in this matter, and my main concern is to keep this committee united, so that we do not drag the soldiers' problems into the House of Commons and fight them out in there.

Some Hon. MEMBERS: Hear, hear.

Mr. BENTLEY: Following along in the same line, after listening to the debate, Mr. Chairman, I would say that if you call a division now I will support Mr. Pearkes' motion and I do not want to do that for the reason that Mr. Gillis and Mr. Cleaver mention—that I would be supporting some things that I do not believe in. I would like to give the matter more consideration and I would like to see everybody else do the same thing. In my service in the last war I never reached higher than the rank of lieutenant, and that was toward the end of the war; so I cannot be accused of being any lover of brass; but like so many other speakers this morning I do not know how you are going to have a war without them, and I believe they are able men. I have great confidence in their ability to administer military, air force or naval law. That is their business and I believe they are mostly men of goodwill who try to do their duty to the best of their ability. However, there are things in here that would leave the way open for them to make mistakes. As regards this matter of penalizing people for serious misdemeanours, again I would have suffered one of those penalties if it had not been for luck or leniency on the part of my O.C.; I might have been in one of those categories. However, Mr. Chairman, I move that we table this motion for a day or two.

The CHAIRMAN: It is past our time for adjournment, but in view of what has been said I think we should adjourn. We are hearing representations before the committee on Thursday. Could we meet on Wednesday?

Mr. CROLL: The trouble is that by the time we hear the representations on Thursday this matter will become cooled in our minds; we will have forgotten some of the arguments. Then, Friday is a bad day and Monday is a bad day in committee, particularly for members who are not so far away. The result is that we do not get an opportunity to weigh the arguments. We have had a thorough discussion, and I am not afraid to be counted on one side or the other. Let us be counted and decide this matter.

I wish to say one thing to the committee. I do not know how hard it was to earn a decoration overseas because I did not earn one overseas, but I can assure you of this, that the hardest thing to earn overseas was a discharge for any reason at all. The manpower situation was tight as you all know and as I know, because I had a bit of experience. I think in the course of my time overseas, in addition to my regimental duties, I defended, more than any other man in England, people before various court martials, and I found those courts fair and just, comparing them with the experience I have had before courts in this country. Now, we take the situation before us and I do not think there can be anything to add. We have been sitting beyond our ordinary time and we have had a good representation of the House, so let us get this matter settled and then we can get something in the House; otherwise we are never going to get to the bills concerning the fire-fighters and the supervisors and get them into the House, which I am anxious to do.

Mr. ROSS: I wish to support Mr. Croll. We have had one of our best committee meetings this morning, and while everything is fresh in our minds we should decide this question and get along. Many of us have other committees to attend, but we have made an effort to be here this morning; surely we can decide this matter now. We are not afraid to be counted for or against.

Mr. CLEAVER: I wonder if the members of the committee who have taken an active part in the discussion, and have been thinking of the problems, could not informally get together and draft an amendment which will substantially meet all of our views and bring that to our next committee meeting? Surely that is not asking too much.

Mr. MUTCH: This very amendment has been before the committee for two weeks.

Mr. BENTLEY: The war has been going on for a long while also; it is a very important matter, and I think that a day or two might be well spent in waiting.

Mr. QUELCH: Mr. Chairman, you are trying to find a way around the question. It is because they have not been able to find a way around the question that this amendment has been brought in. I do not think it will help any to wait.

Mr. GILLIS: Is there a possibility of having a subcommittee appointed?

Mr. ROSS: Question!

The CHAIRMAN: It seems to me from what has been said that some of the members of the committee like Mr. Gillis seem to be under a misapprehension as to what we are proposing to do, to the extent that there has been coming and going and some people have not been here. Perhaps I am out of order in repeating just the situation. But in the Act as it is at present, the Act as passed by parliament last year, a person with a dishonourable discharge could not get a gratuity. Then the government passed an order in council setting up a board, of which Brigadier Topp was head, providing that a person who got a dishonourable discharge could apply and be heard, and that the board could give him a gratuity even though he had a dishonourable discharge. Now it is proposed in this Act that we go farther, that we provide that the only cases that come to that board are the cases of dishonourable discharges, and that the board shall be appointed by the Minister of Veterans Affairs, and that there

shall be appointed to the board, in addition to the service representative, a representative of the organized veterans of Canada, to see to it that the soldier gets a square deal. It has been admitted by General Pearkes that you cannot—and most other people think so—define by legislative enactment the cases that should get a gratuity and those who have acted in such a manner that they should not. If you cannot do it by legislative enactment, then the only thing left to do is to leave the decision in the hands of that board in whom you have implicit confidence and direct them, as we are doing in this proposed motion, to grant the gratuity if in the opinion of the board it would be inconsistent with the true spirit,—which is re-establishment of our troops,—and intent of this Act, to deprive people of these benefits. That board has got to hear each of these cases where a man has been dishonourably discharged; and that board is supposed to give that gratuity if it is consistent with the true spirit of the Act that he should get it.

As has been well stated by Mr. Quelch, if that is the situation what are we going to gain by delaying it? If it is admitted that there are some people that should not get the gratuity because their offence is so heinous, and that it is hard to define it without excluding others who should not be excluded, then the only way you can do it is by this method. Is it clear then to the committee that that is the situation? If that is the situation, I am in the hands of the committee. I am not going to make any arbitrary decision.

Mr. ROSS (*Souris*): Mr. Chairman, on a point of order, I do not like to do this, but I do not think the chairman is properly conducting the duties of the chairman of the committee. It is not his function to argue the point one way or another. His function is to see that parliamentary procedure is observed. He has been most unfair on several occasions in this meeting. I do not like to object like this, but I am forced to do so. I do not think he is carrying out the duties of chairman of this committee.

Mr. CROLL: In all fairness, gentlemen, I would say this. After all, there are some broad issues involved and I think the chairman is often called upon to clarify the situation, not only to clarify it but to give a little indication, and perhaps a little guidance to the committee, and we can take it or not. It is all very well for us to say that all soldiers know the benefits. But I must admit as a soldier and as a legislator that I do not know them all and I am learning a great deal in this committee. I think that applies to a great number of others too. We are getting some help from the meetings; and in spite of the fact that it is not quite parliamentary, I do not think the chairman should be subject to criticism, Mr. Ross.

Mr. PEARKES: I was going to rise and object if Mr. Ross had not, Mr. Chairman, because you stated very definitely that the only way to solve this problem was by referring it to the committee. My amendment to the amendment does suggest an alternative way, and that is to delete sections 11 and 12 and therefore not to have to refer this to the committee. Because there are so few whom the committee would say had to lose their gratuity, my contention is that the board is unnecessary and that we should not penalize the great majority for the few.

Mr. LENNARD: During the past few minutes this committee has developed into a Donnybrook, and I suggest that we adjourn to meet again.

The CHAIRMAN: When I was interrupted by Mr. Ross I was going to say that I am in the hands of the committee. Some members have suggested we adjourn and some have suggested that we take the vote, and the only way that we can decide this matter is to have a motion either to adjourn or to vote on the motion. I am not going to take time to say anything about certain remarks.

(The committee decided, on a showing of hands, to adjourn.)

The committee adjourned to meet on Thursday, November 1, at 10.30 o'clock a.m.

APPENDIX "A"

October 19, 1945.

DEAR SIR:

The following is the information requested in your letter of October 16:—

(a) *Discharges as a result of convictions in civil courts.* This subject is governed by King's Regulations for the Government of His Majesty's Canadian Naval Service, Article 12.63, clause 4, which provides as follows:—

"(4) When a man is convicted by a civil court of an offence of a specially serious nature, or one which has been repeated, any one or more of the following penalties may, with the approval of the Chief of the Naval Staff, be imposed:

- (i) disrating,
- (ii) reduction to the second class for conduct,
- (iii) discharge from the Naval Service."

No hard and fast rule exists to determine whether discharge should be effected under this article. Each case is decided on its own merits.

(b) *Dismissal as a result of conviction by Naval tribunal on a charge punishable by civil law.* This subject is governed by Section 89 of the Naval Service Act, Chapter 23, Statutes of Canada, 1944, a copy of which is attached. You will note that in the classes of offences designated (a), (b) (c), (d) and (e) specific punishments are prescribed, of which dismissal from the Service is not one. For offences (f) and (g) the named punishments or such lesser punishment as is mentioned in the Act may be imposed. "Lesser punishment" would include dismissal from the Service. In the case of item (h) dismissal is one of the punishments that may be imposed under sub-clause (ii), i.e. in cases where the offence has had, in addition to its civil implications, the effect of prejudicing good order and Naval discipline. The foregoing relates only to specific punishments awarded by Naval tribunals. Even if the punishment of dismissal is not imposed by a Naval tribunal, however, the offender may subsequently be discharged from the Service under the normal discharge regulations if, in the opinion of the appropriate authorities, his record in the Service is such as to indicate that retaining him would not be to the advantage of the Service.

Yours very truly,

W. G. MILLS,
Deputy Minister.

A. L. BURGESS, Esq.,
Clerk of the Special Committee on Veterans Affairs,
House of Commons,
Ottawa.

THE NAVAL SERVICE ACT, 1944

(8 GEORGE VI, CHAPTER 23)

Offences punishable by ordinary law

Offences punishable by ordinary law of Canada, 1940, c. 43

89. Every person who is guilty of:—

- (a) treason shall suffer death;
- (b) murder shall suffer death;
- (c) an offence under section three of The Treachery Act shall suffer death;
- (d) rape shall suffer death or imprisonment in a penitentiary;
- (e) buggery, either with a human being or any other living creature, shall suffer imprisonment in a penitentiary;
- (f) manslaughter shall suffer imprisonment in a penitentiary or such lesser punishment as is hereinafter mentioned;
- (g) robbery or theft shall suffer imprisonment in a penitentiary or such lesser punishment as is hereinafter mentioned;

R.S. c. 36

- (h) any other offence which, if committed in Canada, would be punishable under the Criminal Code or any other Act of the Parliament of Canada, shall suffer either
 - (i) the punishment assigned for the offence by the Criminal Code or the other Act; or
 - (ii) if in committing the offence he is guilty under section eighty-seven of this Act of an act to the prejudice of good order and naval discipline not otherwise specified, the punishment provided by section eighty-seven.

Quote No. H.Q. 54-27-47-1. Adm. 3(a).

DEPARTMENT OF NATIONAL DEFENCE

OTTAWA, CANADA, 24th October, 1945.

Dear Sir,—I have your letter of 16th October, 1945, wherein you ask that the Special Committee on Veterans Affairs be furnished with a statement setting forth the conditions under which army personnel are dismissed (a) as a result of convictions in civil courts; and (b) as a result of findings of Courts-Martial for offences which are of a criminal nature as opposed to purely military offences.

District Officers Commanding Military Districts have been authorized by Canadian Army Routine Order No. 1029 to discharge, in their discretion, soldiers either on conviction by a civil power or for misconduct.

It is rather difficult to set out any specific rule for guidance of officers authorized to discharge under the circumstances you mention. You will appreciate, I am sure, that each individual case must be considered on its merits and what would well apply to one case might work an injustice in another. However, when a soldier is convicted by the civil power of an offence of a felonious nature during his military service the Record of Conviction and the facts of the case are referred to the District Officer Commanding the Military District in which the soldier is convicted for decision as to discharge. Normally, a sentence of six months or less would not constitute cause for discharge but again, as I have pointed out above, it is the facts of each case which govern the decision of the District Officer Commanding.

With respect to your request in (b) above, this may come under two categories. First of all, when a Court-Martial has sentenced a soldier to be discharged with ignominy you will appreciate that no conditions apply to such discharge. The army Act authorizes discharge with ignominy to be awarded for a number of offences, either by itself or in addition to certain other punishments, and the Court in its wisdom and discretion may impose such an award of punishment and its discretion is not in any way fettered. Of course, the award of a Court-Martial is subject to review by appropriate confirming and reviewing authorities, and these authorities may disagree with the award of the Court and vary the sentence. Here again it is the facts of each individual case that decide both the Court and the confirming and reviewing authority. Secondly, either with or without a decision of the Court-Martial or any other disciplinary action a soldier may be discharged for misconduct. Discharge for misconduct also covers cases where a soldier has been convicted by the civil authorities which do not fall in classifications (a) above, but where minor civil conviction and general conduct warrant. It is even more imperative in these cases, that no strict line be drawn, and that the decision be left to the discretion of the authorizing officer, based on the individual facts of each particular case.

Yours truly,

A. ROSS,
Deputy Minister, (Army)

A. L. BURGESS, Esq.,
Clerk of the Special Committee on Veterans Affairs,
House of Commons,
Ottawa, Canada.

CANADA

DEPARTMENT OF NATIONAL DEFENCE FOR AIR

OFFICE OF THE DEPUTY MINISTER

OTTAWA, October 27th, 1945.

A. L. BURGESS, Esq.,
Clerk of the Special Committee on Veterans Affairs,
House of Commons,
Ottawa.

Dear Sir:

In answer to the questions posed in your letter of October 16th, 1945, I beg to advise that the conditions under which Air Force personnel are discharged as a result of convictions in civil court are in accordance with present policy as follows:

Other Ranks.

- (i) If an other rank has been convicted by civil authority, of such a serious crime or offence that his retention in the service would be manifestly out of the question, or if he has been convicted of an offence entailing a long jail or prison sentence, or disgraceful conduct of an indecent kind, or serious theft.
- (ii) If an other rank is convicted of a substantial offence which is not in itself serious enough taken alone to warrant discharge but which, if considered with his past record of continued wilful proven misconduct, as contrasted with offences arising out of mere inadaptability to service life, makes it expedient to discharge him for misconduct.

- (iii) In applying (ii) above, a reasonable period free of any civil or service conviction is deemed to wipe out prior offences.
- (iv) The longer the service of an other rank the greater is the caution used in classifying him under (ii) above and in considering his past record under (ii) above not only the number but also the trend of past convictions are taken into account.
- (v) If a conviction by the civil power occurred before an other rank's enlistment and it was disclosed by him upon enlistment then such conviction is a closed matter and is not used as a cause for discharge for misconduct.
- (vi) With regard to (v) above, convictions by civil authorities prior to enlistment are not, except in the most exceptional circumstances, used as a reason for discharge for misconduct.

Officers

Officers are removed for misconduct under the following circumstances:

- (i) If an officer has been convicted by civil authority or has confessed a crime of so serious a nature that his retention in the Service would be manifestly undesirable.
- (ii) If an officer is so convicted of a substantial offence which is not in itself serious enough taken alone to warrant removal, but is substantial, and that officer has such a past record of misconduct that it is expedient to have him removed.

The procedure adopted to effect discharge for misconduct other than by conviction by court-martial is as follows:

On an other rank being convicted as above mentioned, his Commanding Officer forwards a recommendation that he be discharged for misconduct to Command Headquarters and, if Command agrees that he should be so discharged, the recommendation is then forwarded to Air Force Headquarters together with the other rank's conduct sheets and any other relevant documents. The case is then reviewed at Air Force Headquarters by legally qualified officers and, if the recommendation is concurred in, authority is granted to the Air Officer Commanding to remove or discharge the other rank for misconduct. In this way discharges for misconduct are kept upon a uniform basis throughout the R.C.A.F. Likewise all cases for the removal of officers are referred to Air Force Headquarters before their removal from the service for misconduct is authorized.

Other ranks may be sentenced by court-martial for offences of a criminal nature to be discharged from His Majesty's Service or to be discharged with ignominy, and officers may be sentenced to be dismissed from the Service or to be cashiered. Discharge with ignominy is usually awarded by court-martial where an accused has been sentenced to be imprisoned.

Under Section 41 of the Air Force Act, courts-martial have jurisdiction to deal with all offences punishable by the ordinary law of Canada, and in addition there are several sections of the Air Force Act which make fraud, theft, embezzlement and conduct of an indecent and unnatural kind offences under such Act. In all serious cases of such nature it is usual, in addition to any other punishment imposed, to discharge or discharge with ignominy the personnel convicted, subject to the same ordinary principles of jurisprudence in awarding sentence as are considered by the civil courts.

May I point out that prior to January, 1944, discharge of other ranks for misconduct was authorized by Air Officers Commanding at Commands and that consequently the present uniformity in authorizing discharges for misconduct did not then exist. However, all cases where discharge for misconduct was authorized prior to that time, other than where personnel are sentenced to be discharged by court-martial, are reviewed by the Board of Review and forwarded to Air Force Headquarters for consideration in the light of the present policy outlined above.

Yours very truly,

H. F. GORDON,
Deputy Minister

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HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

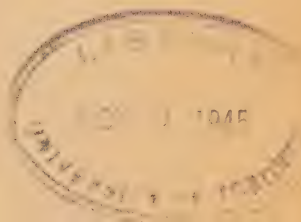
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THURSDAY, NOVEMBER 1, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Brigadier J. A. de Lalanne, C.B.E., M.C., Vice-Adjutant General;
Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review,
The War Service Grants Act;
Air Commodore J. MacL. Murray, C.B.E.;
Lieut.-Col. W. J. Lawson;
Lieut.-Col. S. Wellwood;
Commander S. C. Sharpe.

OTTAWA
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1945



ERRATUM

Minutes of Evidence, Monday, October 29, 1945:

Delete: the words "Mr. Viau" at the beginning of line 1,
page 354, and

Substitute: the words "Mr. Jutras".

MINUTES OF PROCEEDINGS

THURSDAY, November 1, 1945.

The Special Committee on Veterans Affairs met at 10:30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Bridges, Brooks, Bruce, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Hallé, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Kidd, Langlois, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Probe, Quelch, Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review, War Service Grants Act, 1944; Air Commodore J. MacL. Murray, C.B.E.; Lt.-Col. S. Wellwood; Lt.-Col. W. G. Lawson; Brigadier J. A. de Lalanne, C.B.E., M.C., Vice-Adjutant General; Commander S. C. Sharpe.

The Chairman filed the following documents which are printed as appendices to this day's Minutes of Evidence:—

A Resolution from the Dominion Council Canadian Non-pensioned Veterans' Widows. (*Appendix "A"*)

Letter dated October 13, 1945, from the Premier of Alberta to the Minister of Veterans Affairs relating to Canadian Corps of Firefighters. (*Appendix "B"*)

Letter dated October 16, from Mr. Gordon B. Isnor, M.P., to the Chairman urging that representations on behalf of the Merchant Marine and Halifax Pilots be heard by the Committee. (*Appendix "C"*)

Submission from the Comox District Rehabilitation Committee. (*Appendix "D"*)

Mr. Mackenzie assured the Committee that if its work were not completed during the present session of Parliament a similar Committee would be constituted at the next Session.

The Chairman submitted further proposed amendments to Clause 12.

Mr. Gunn also submitted suggested amendments to Clause 12.

The Committee resumed consideration of Mr. Mutch's motion to amend Clause 12 of the proposed draft bill to amend the War Service Grants Act, 1944, and of Mr. Pearkes' amendment thereto.

Brigadier Topp was recalled and questioned.

The question having been put on Mr. Pearkes' amendment, viz:

That clauses 10, 11 and 12 of the draft bill be deleted and that sections 11 and 12 of The War Service Grants Act, 1944, be repealed.

It was resolved in the negative on division.

After discussion, and by leave of the Committee, Mr. Mutch withdrew his motion.

On motion of Mr. Mutch it was resolved that clause 12 of the draft bill be amended by deleting Section 12B of the proposed amendment to The War Service Grants Act, 1944, and by substituting therefor the following:—

12B. (1) The application for gratuity of every member who is discharged for any of the reasons or in any of the circumstances set forth in sections 11 or 12 of this Act shall forthwith, together with all documents relating to the member's service, be referred to the Board of Review as constituted by the next succeeding subsection of this section.

(2) There shall be a Board to be called the "Board of Review" which shall consist of not less than three and not more than five members who shall be appointed by the Minister with the approval of the Governor-in-Council.

(3) At least one of such members shall be a person who, in the opinion of the Minister, is representative of organized veterans. One of such members shall be designated to be Chairman of the Board and such number of members as the Governor-in-Council may determine shall constitute a quorum.

(4) The members of the Board shall receive such remuneration as the Governor-in-Council may determine.

(5) (a) All officers, clerks or other employees required by the Board for the performance of its functions shall be appointed according to law.

(b) A civil servant who prior to or at the time of his appointment as a member of the Board was or is a contributor under the provisions of the Civil Service Superannuation Act may elect, within three months of his appointment, and shall be eligible, notwithstanding the provisions of the Civil Service Superannuation Act, to continue to be a contributor under the said Act and in such event his tenure of office as a member of the Board shall be counted as service in the Civil Service for the purpose of the said Act and he, his widow and children, or other dependents, if any, shall be eligible to receive the respective allowances or gratuities provided by the said Act, and in the event of his being retired from the office as a member of the Board for any reason other than misconduct, he shall be eligible to receive the same benefits under the said Act as if his office as member of the Board had been abolished.

(6) The Board may, with the approval of the Governor-in-Council, make rules for regulating its proceedings and the performance of its functions.

(7) It shall be the duty of the Board and it is hereby empowered to examine every application referred to it pursuant to the provisions of subsection one of this section and to consider the nature and extent of the services rendered by the member in the Armed Forces and to investigate the circumstances under which the member was discharged and for that purpose the Board is authorized to make such enquiries, hear such witnesses, and take such evidence as it may deem necessary.

(8) Where, on such examination and investigation, the Board is of the opinion that it would be inconsistent with the true spirit and intent of this Act to deprive the member of benefits of the Act by reason of sections eleven or twelve of the Act, the Board shall by order direct that the member shall receive the benefits of this Act as completely as if said sections 11 and 12 were not part of this Act.

Mr. Croll moved that sub-clause (o) of clause 1 of the draft bill be adopted without amendment. The question having been put, it was resolved in the affirmative on division.

On motion of Mr. Green, it was resolved that a sub-committee composed of Messrs. Sinclair (Chairman), Cruickshank, Fulton, Probe and Quelch be appointed to study the question of a recommendation to the House relating to reconsideration of the regulations covering discharges for misconduct from the Armed Services.

Air Commodore Murray, Col. Wellwood, Col. Lawson, and Brigadier de Lalanne were recalled, questioned and retired.

It was ordered that the appropriate officers of the three branches of the Armed Services confer and draw up a further amendment to clause 2(3) for submission to the Committee at its next meeting.

Sub-clauses (5) and (6) of clause 2 were adopted without amendment.

Commander Sharpe was called, questioned and retired.

Clause 2 was amended by adding the following as sub-clause (7):—

(7) In the case of naval forces the date shown on the certificate of service and on the list of official appointments shall be used for the purpose of this section in determining the dates of posting to and from His Majesty's Canadian ships and establishments with respect to any former member.

At 12.30 o'clock the Committee adjourned until Friday, November 2, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 1, 1945.

The Special Committee of Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, if the committee will come to order we will proceed.

Mr. VIAU: Mr. Chairman, before we proceed may I say that in the minutes of proceedings of Monday, October 29, at page 354, I am on record as stating here a paragraph which I never stated. I would like to call that to the attention of the clerk of the committee and ask him to have it changed.

Mr. CROLL: That is right; Mr. Jutras said that.

The CHAIRMAN: It will be noted that that was Mr. Jutras' statement.

Mr. CROLL: Mr. Chairman, may I ask—

The CHAIRMAN: If you do not mind, the minister has a statement which he would like to make.

Hon. Mr. MACKENZIE: Gentlemen, the other day when we were discussing some of our proceedings there was certain apprehension voiced with regard to this committee not giving consideration to some very important questions that might come before us; for instance, in regard to the fire-fighters, supervisors and others, who possibly might be affected by any action which might be taken by this committee. You will recall that the committee had already expressed itself as being in favour of giving preference to the problems of ex-members of the forces. I just want to give the assurance to the members of the committee that either this committee, or some similar committee at the next session of parliament will give attention to these matters so that honourable members may be assured that these groups will not be overlooked. My thought in making this statement at this time is that it might give some comfort to members of the committee who might be concerned over some of these other problems.

Mr. Mutch: Mr. Chairman, just before the committee rose on Tuesday opinion was expressed in the committee that we should adjourn without taking a vote on the amendment which I had proposed and the amendment to that amendment which had been moved by Mr. Pearkes. We were not so very far apart in many respects, but it was felt that the vote should be delayed at that time. I asked then, Mr. Chairman, if it would be possible to have before this meeting the legal officers of the department with an amendment prepared with a view to possibly meeting more closely the general view of the committee. I desire to know now whether or not any draft has been prepared; and if so, might we have it, because I think it might affect our deliberations this morning.

The CHAIRMAN: Well, we have done our best to try to cover the points raised and I have here a suggestion based upon the recommendation of our counsel; and there were some consultations between the minister, the deputy minister and myself and so on about it.

The purpose of the bill is set out in the title to pay gratuities and re-establishment credits to members of the armed services. The bill itself then went on to say in sections 11 and 12 that these payments should not be paid in certain cases of misconduct and so on. Now, we must first of all make it plain

that sections 11 and 12 are subject to any provisions we make for the payment of gratuity in these cases, and somebody suggested that we write into section 10, on page 9 of the draft bill:

"subject to section 12 (b) hereof."

Section 11 would read: "subject to section 12 (b) hereof—" making it very plain that non-payment of gratuities would be subject to whatever we write in section 12 (b); also section 12, as indicated by section 11 of the bill—"subject to section 12 (b) hereof." Then it is suggested that 12 (b) read as follows:—

12 (b) (1) The application for gratuity of every member who is discharged for any of the reasons or in any of the circumstances set forth in section 11 or 12 of this Act shall forthwith, together with all documents relating to the member's service, be referred to the Gratuity Reference Board as constituted by the next succeeding subsection of this section.

(2) There shall be a Board to be called the Board of Review which shall consist of not less than three and not more than five members who shall be appointed by the minister; and the minister is defined in the Act itself to be the Minister of Veterans Affairs.

(3) At least one of such members shall be a person who, in the opinion of the minister, is representative of organized veterans. One of such members shall be designated to be chairman of the Board and such number of members as the governor in council may determine shall constitute a quorum.

(4) The members of the board shall receive such remuneration as the governor in council may determine.

(5) The board may, with the approval of the governor in council, employ such officers, clerks, and other clerical assistants as the board may deem necessary or desirable and such persons shall receive such salaries or remuneration as may be fixed by the Board with the approval of the Governor in Council.

(6) The board may, with the approval of the governor in council, make rules for regulating its proceedings and the performance of its functions.

(7) It shall be the duty of the board and it is hereby empowered to examine every application referred to it pursuant to the provisions of subsection one of this section and to consider the nature and extent of the services rendered by the member in the armed forces and to investigate the circumstances under which the member was discharged and for that purpose the board is authorized to make such enquiries, hear such witnesses, and take such evidence as it may deem necessary.

(8) Where, on such examination and investigation, the board is of the opinion that it would be inconsistent with the true spirit and intent of this Act to deprive the member of benefits of the Act by reason of sections eleven or twelve of the Act, the board shall by order direct that the member shall receive the benefits of this Act as completely as if said sections 11 and 12 were not part of this Act."

Now, that is the best we have been able to do in the time we had at our disposal.

Mr. GUNN: Mr. Chairman, I did not get an opportunity to speak to you before the meeting, but the material you have just read has received some further consideration by the drafting committee since the time it was delivered to you. The final result of the drafting committee efforts are practically the same as what you have just read, with one or two minor changes; I wonder whether you might wish me to suggest these changes now?

Mr. CHAIRMAN: I think it would be good to hear what you have in mind.

Mr. GUNN: The principal one relates to subsection 5 of the material you have just read and it has for its purpose the elimination of that particular sub-section and providing for the appointment of officers, clerks and employees required by the board according to law; which, of course, as you know, means according to the Civil Service Act and Regulations. And then there is further provision in order to protect the superannuation rights of any civil servant who may be appointed to the board. I have that proposal substituted for sub-section 5; would you like me to read it?

The CHAIRMAN: Yes.

Mr. GUNN: It runs like this:

5 (a) All officers, clerks or other employees required by the board for the performance of its functions shall be appointed according to law.

(b) A civil servant who prior to or at the time of his appointment as a member of the board was or is a contributor under the provisions of the Civil Service Superannuation Act may elect, within three months of his appointment, and shall be eligible, notwithstanding the provisions of the Civil Service Superannuation Act, to continue to be a contributor under the said Act and in such event his tenure of office as a member of the board shall be counted as service in the Civil Service for the purposes of the said Act and he, his widow and children, or other dependents, if any, shall be eligible to receive the respective allowances or gratuities provided by the said Act, and in the event of his being retired from the office as a member of the board for any reason other than misconduct, he shall be eligible to receive the same benefits under the said Act as if his office as member of the board had been abolished.

One other slight change, Mr. Chairman in sub-clause 2 of the material you read, which is the addition of the words at the end, "with the approval of the governor in council"; "shall be appointed by the minister with the approval of the governor in council." That is the customary provision which is used with regard to such appointments.

One further addition, Mr. Chairman; sub-clause 8, the addition of these words: "and his application for gratuity shall be dealt with accordingly." That is to emphasize that just as soon as the board has by order exempted a member from the operation of these sections 11 or 12, as the case may be, his application shall go forward in the usual way.

The CHAIRMAN: The difficulty about that is it didn't cover the re-establishment credit as well as the gratuity, and I have changed what you suggested by saying that the board shall by order direct the member shall receive all the benefits of the Act as fully as though sections 11 or 12 were not part of the Act.

Mr. GUNN: I did not catch that particular change.

The CHAIRMAN: I will just read that again. I thought that your draft was incomplete because it did not cover the re-establishment credit.

Mr. GUNN: Yes.

The CHAIRMAN: Here is the way it reads:—

Where on such examination and investigation the board is of opinion that it would be inconsistent with the true spirit and intent of the Act to deprive the member of benefits of the Act by reason of sections eleven or twelve of the Act, the Board shall by order direct that the member shall receive the benefits of this Act as completely as if said sections 11 and 12 were not part of this Act.

Mr. GUNN: Well, I do not see any objection to that, Mr. Chairman, except that I may say this: I doubt if it is necessary for the reason that the credit automatically flows from the establishment of the gratuity account; in dealing

with the gratuity, we give or reject applications for gratuity and the credit is dealt with accordingly.

Mr. CROLL: Mr. Gunn, all credits flow automatically?

Mr. GUNN: Yes.

Mr. CROLL: On the granting of the gratuity; is that your interpretation?

Mr. GUNN: Pardon?

Mr. CROLL: Do the credits follow automatically on the granting of the gratuity?

Mr. GUNN: Yes, that is the way the Act works.

Mr. QUELCH: Then the penalties do not affect the gratuities?

Mr. CROLL: How do you overcome this? If my recollection is right the opinion has been expressed that a man's discharge certificate may preclude him from receiving certain benefits, even though he gets the gratuity?

Mr. GUNN: Oh, no.

Mr. CROLL: That would not follow?

Mr. GUNN: That is not so.

Hon. Mr. MACKENZIE: There was a point raised by Mr. Quelch.

Mr. GUNN: No, the gratuity is fixed, and the credit as you know is determined on the basis of that amount, that is an equivalent to the gratuity.

Mr. MUTCH: But you are limiting your remarks on re-establishment credit on Mr. Sinclair's point?

Mr. GUNN: Yes.

Mr. CROLL: And all the credit and other benefits would follow?

Mr. GUNN: The gratuity is about the only benefit. I think it is the only benefit other than the credit. There are only the two classes of benefits under the Act, the gratuity and the credit.

Mr. MUTCH: Yes, under this Act the conditions of the discharge affect a man's standing.

Mr. GUNN: I am not going into that point at all.

Mr. MUTCH: That is what I was saying; you misunderstood the question.

Mr. GUNN: Possibly. I am not dealing with the certificate of discharge at all, merely the fact upon which the eligibility for credit is based.

Mr. QUELCH: Well, Mr. Chairman, it is not correct to say that the credit would follow automatically with the gratuity when it is established, because in so far as the dependent is concerned he is not eligible for credit although he is eligible for the gratuity.

Mr. GUNN: That is another question, Mr. Chairman.

The CHAIRMAN: That is what I had in mind in covering it in such a way that the phraseology of the discharge would not interfere with, or cause him to be deprived of the benefits of the Act. I felt that we should make provision for a declaration that if in the opinion of the board of review he should receive the gratuity he would also be eligible for the related benefits under the Act.

Mr. GUNN: The board of review have no jurisdiction over credits at all. As I understand it the object and purpose of the board is simply to determine whether the alleged misconduct is sufficient to justify a rejection of the application, and if they decide that a member ought to be exempt from the operation of these sections then I do not think, strictly speaking, we would need to say anything further; the application would go forward in the usual way.

The CHAIRMAN: It is just the way we approach it, Mr. Gunn. We would not exempt him from sections 11 and 12. Do you say he gets it because it is the purpose of the Act that he should get it if his service is of such a nature that he ought to get it? All right, exempt him from the effect of sections 11

and 12. We merely make it more positive, you see; we make this particular man exempt from the effects of sections 11 and 12. The thought I had in mind in trying to meet the wishes of the committee was to say that in certain cases a man ought to get the benefits of the Act as though sections 11 and 12 were not it it. It is a more positive form of approach, that is all.

Mr. CLEAVER: If there are no legal objections I much prefer the wording of the Chairman's draft.

The CHAIRMAN: Are there any legal objections?

Mr. GUNN: I have not had a chance to consider it. I would say at the moment that I do not see any objections.

Mr. MERRITT: I was one of those who the other day was between the devil and the deep blue sea on these amendments because I agreed with neither of them. There were other members of the committee whom I think felt as I did. I did not agree entirely with General Pearkes' amendment. I thought it went perhaps a little too far in some cases that I have no personal knowledge of. I did not agree with the amendment by Mr. Mutch because I did not think it went far enough. Against General Pearkes' amendment I was much impressed by what Mr. Sinclair had said about that type of case. On the other hand, against Mr. Mutch's amendment, I feel that it is much too indefinite in that it says, the board may examine any person; and then it goes on to say: "where it is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive such person of the benefits of this Act". The operative words are "true spirit and intent". I think that is where the great difficulty arises. We have had about 25 different interpretations of what the "true spirit and intent" of this Act is. Is this an Act designed to reward, or to rehabilitate? Is this gratuity a gratuity in the accepted sense of the word; or is it a grant for useful service rendered? I do not think anyone of us knows that, so it certainly is not clear. Then, again, Brigadier Topp may have had a very good idea of what his functions were before he came into this committee, but I doubt whether he is so certain about them now. So my objection to Mr. Mutch's amendment was based on two main grounds; first, that this committee and this parliament by passing such an amendment would not have discharged its duties of giving an indication to the board as to what parliament felt they ought to do; instead of that we are just handing it on *holus-bolus* to the board. Now, I have to say that I have tremendous confidence in Brigadier Topp, but I do feel that we have a duty which we must discharge. And my second objection is that the amendment is too broad; the board is put in a position where they must say: you have it in full or you do not have it at all. There will be many border-line cases where it will be dreadfully difficult for them to determine whether they should cut this man right off or put him right on. With that in mind I tried to prepare a further suggestion which might meet with the approval of the committee. I have had enough copies typed out, if you would like them to have them before the committee. I will just read it. It reads as follows:—

Notwithstanding the reason for discharge, the board may, in consideration of useful service rendered to His Majesty by a member, exempt such member in full or in part from the operation of section 11 or section 12 of this Act.

I have done two things there, I suggest. First of all, I have laid down for the board a guide, "useful service rendered to His Majesty"; and if a member has rendered useful service to His Majesty, no matter though in the end he might have been discharged for treason, he will get the benefit of this Act to the extent of that useful service. I think that is a good guide to the board. The other words "in whole or in part" enable the board to deal with a case

such as the one that I am about to cite I think more accurately than they could under the draft you just read, Mr. Chairman.

Let us take the case of a man who served three years with good conduct, or reasonably good conduct and who might have become an N.C.O. Let us take the case of the sergeant at Aldershot who was in that riot. That sergeant may have served four years in the army. He rose to the rank of sergeant in the field. He gets into a serious position and he gets a serious sentence from a court martial in very public circumstances. I am not saying that he should not be exempted in whole from the operation of the Act. It may be a bad example. This would give Brigadier Topp's board power to say: "This man rendered three years' useful service, he committed then a very grave crime; but we consider, however, that he should be rewarded for those three years." Or take some case where a man has served a similar long period, the board might say, "Yes, but his crime was so serious that he should not get even three years. We will give him two years" or "we will give him one year's benefits under the Act." It gives the board greater discretion and more flexibility; and above all, it gives the board a direction as to what parliament thinks this Act is for, namely rehabilitation, not reward.

Mr. PROBE: Mr. Chairman, some few days ago I tried to interpret sections 11 and 12 under discussion and tried, as I thought to make a clear-cut indication following along the lines of what Mr. Merritt has just said. I suggested that the date of the commission of any offence should be the termination date of useful service of a service man to his country, and that was not particularly well received at that time. I want to say that in all government—and I am not referring to the liberal government at Ottawa now and I am not making a political speech as such—patronage is the curse; it is the curse of modern government; and any law that is indefinite when it can be made definite, lends itself, I believe, to that curse of patronage.

Mr. MURCH: What is that?

Mr. PROBE: I am talking about the board. I will come to that. To leave sections 11 and 12 of the War Services Grants Act in a form that lends itself to various interpretations, puts the rights of something over 6,000 service persons and their families at the present time in this position: it makes them subject not to an Act of parliament but to one more small board; and that can, under certain conditions, be a form of vicious patronage. I say that with no reflection on our good friend Brigadier Topp. It is the principle that I am speaking of.

I think the committee has to rule first of all whether the war service gratuity is a form of deferred pay on the one hand or whether on the other hand, it is a reward, as was suggested by the adjutant-general's brief yesterday or the day before, for being able to dodge the multiplicity of military and civil regulations to which a soldier's life or a service man's life is subjected. The very nature of the wording of this grant, that for every 30 days' service in Canada there shall be \$7.50 paid, with an additional 25 cents for each day of service overseas, suggests to me that the intent of this payment is that it shall be deferred pay. The fact that our Veterans' Land Act administration has had over 11,000 applications and has acted on only 800, suggests that re-establishment is not being made too easy. As a matter of fact, when Mr. Murchison was overseas and spoke to us there, he said that he did not intend that the Veterans' Land Act benefits should be made too easy, and he had some justification for what he said as far as that is concerned. But I maintain that once a man is considered a farmer from his background, he should be able to get the benefits of the Veterans' Land Act as they are set out in the statutes; and when a man has done four or five years of service overseas and commits murder at the end of that time due to some psychological change in the mentality—a man who has done good service for that number of years, and has indicated that he is a soldier-citizen up to that time—I

maintain that his family should receive the benefit of the good service which he has up to that time given to his country.

I want to quote one case. This happens not to be from my constituency, so I am not putting up a political argument on that basis. I will have a word to say to you, Mr. Chairman, later.

The CHAIRMAN: I would not expect that. That is what I was thinking. I would not expect you to make a political argument.

Mr. PROBE: There was a service man from Saskatchewan who went overseas, served in His Majesty's forces until after Germany was occupied, secured the rank of sergeant, and had never had a misconduct mark chalked against his record in any form. He got drunk one night while he was in Germany, and while drunk he killed a German civilian under rather sordid circumstances.

Mr. CRUICKSHANK: Good!

Mr. PROBE: Well, I would say "good," too. But here is what happened. That man was sentenced by a military court martial, following the regulations as laid down, to death. The sentence was commuted to life imprisonment. His wife and three children out on the prairies of Saskatchewan are cut off from the balance of his pay and from any chance of their re-establishment, whatever happens to the soldier. I am not condoning murder, not by any means. I am not condoning treason. There are penalties for these misdemeanours, even though there may have been some sudden twist, which a psychiatrist could explain, in that service man's brain. The point is that that family, 5,000 miles away, suffers for a sudden act or impulse or downright foolishness of a service man. I know it was not the intent of the Government of Canada to so reward the families of our service personnel; and when we realize that over 6,000 service men to date have been discharged for misconduct, we can see what this means. I disagree with the gentleman who said here yesterday or the day before yesterday that these people would have committed these offences, or at least would have been equally likely to commit offences of that type in civilian life. I am quite sure that is not the percentage of evil-doers that we have in our civilian population. That is very nearly one per cent. I maintain that the Act is a failure when we have to put before a board, no matter how able that board may be, the final decision as to whether a re-establishment following serious misconduct is to be penalized or rewarded by virtue of a decision of that board.

The other day Mr. Chairman was called to task by a member of this committee for attempting to interpret what was in our minds. I think it is a good idea for him to interpret the combined opinions of this group, if he can. But I got the impression from Mr. Chairman that he was favouring the imposition of this board on the people of Canada. I am violently opposed to another board, and I think that this bill should be interpreted in one sense only: payment for good services as long as there was good service, and whatever punishment there is for subsequent acts, the punishment will look after the misdemeanour.

The CHAIRMAN: I was just going to ask Mr. Merritt if he would deal with one particular point that is in my mind as to his amendment.

Mr. Mutch: Is it an amendment?

The CHAIRMAN: Well, I mean when we get to the point of getting things into legal order, I imagine it will be. You intended it as an amendment, did you, Mr. Merritt?

Mr. MERRITT: Yes, Mr. Chairman.

The CHAIRMAN: The thought that is in my mind is that the board, as presently constituted, if they decide that the man's service was good enough to warrant his getting the benefit of the Act regardless of the circumstances of his discharge, must give him the benefit in full. What I should be afraid of is that, in order to help out the odd case—a bad case—you are going to enable the

board, and perhaps invite them to do so, to whittle down the benefits of the fellows that should get their full gratuities and credit. I wondered if you had considered that in connection with this thing.

Mr. MERRITT: Yes, Mr. Chairman, I had considered that. But I feel that this board, having a direction that they shall reward all good service to His Majesty, or not reward, but shall grant—

The CHAIRMAN: Recognize it.

Mr. MERRITT: Yes, that they shall recognize all good service to His Majesty, would take that as the guiding principle and that they would interpret the words "in whole or in part" as permitting them to deal with those cases which, under the present section, they would feel morally obliged to bar from benefit, as permitting them to assess more closely the good service and reward it; because I must say that, in my mind at least, the grant or war service gratuity I have always considered as payment of back pay.

Mr. PROBE: Right.

Mr. KIDD: Mr. Chairman, may I take one moment to say something in reference to the remarks of the speaker of a moment ago. When I was home in Kingston over the last week-end, the city officials brought to my attention the case of the wife of a man who has been penalized and is at present serving his sentence at Fort Henry on the top of the hill, where there are 200 other prisoners. This wife and three children were put on the train at Vancouver—I do not know whether it is your constituency or not, but that fact would have no bearing on the case whatever—and she arrived in Kingston with her three children to see her husband whom she had not seen for three or four years. He is serving a sentence of two years. In due course she will get into the penitentiary to see him. But here is the situation in which the city officials are placed. She wanted to see her husband and rightly so. She did not see him then but she will be entitled, under the regulations, to see him from time to time. But she is without means. Somebody has to look after that wife and her children. We know the situation. Certain organizations are trying to do something for her. I do not know of a better case than that. There are probably another 200 cases up in Fort Henry. There is a woman with her three children dumped on the municipality, and somebody has to do something for them. She is the wife of a veteran. Up to the present time, from the civilian side of it, the same thing might apply to the men who are serving sentences in the Kingston penitentiary. But that is a different thing. It is up to this committee or up to somebody to look after that wife and her three children. That is all I have to say.

Mr. WRIGHT: Mr. Chairman, I should like to say a word or two along the line of what has been said by the last speaker. I have in mind the case of a woman living out on a homestead in western Canada, whose husband has been sentenced to serve three months. She is there without any means of subsistence whatsoever except what the neighbours may be able to give. It just does not seem to me right that we as a committee should leave conditions like that existing in this country. It is not right. I do think this committee should do something with respect to those cases.

Mr. PEARKES: Mr. Chairman, when we adjourned the day before yesterday, we were considering an amendment to an amendment. Already this morning there have been two additional amendments suggested. I feel that we are only floundering further and further. We are only getting bigger, better and brighter boards by the suggestions that have been. We are only adding more money to the taxpayer's bill by suggesting that additional men be put into these boards. The amendment to the amendment that I moved was to delete sections 11 and 12, and to do away with all this reference to the boards. Some objection has been taken to such a drastic measure, and suggestions have been made that grants for men who have committed serious crimes would fall upon the taxpayer, that he

would be required to pay some rehabilitation grants to these men. On humanitarian grounds I do not believe that the taxpayer will object to paying the small grants these men will have earned by their honourable service before they committed the crime which brought their dishonourable discharge. The taxpayer does contribute large sums of money to all sorts of associations which have been trying to re-establish ordinary civilian criminals into civilian life; and I do not believe the taxpayer would object to paying a little bit of money in order to re-establish a soldier—who, by force of circumstances and certainly under the abnormal circumstances under which he was working, may have committed a crime—to get him re-established into civil life. A man who is dishonourably discharged is handicapped enough. He is handicapped by the fact that he has a dishonourable discharge certificate. Furthermore, he is debarred from entering into the civil service. One of the benefits which is given to the ordinary returned soldier is that he gets a preference in the civil service. He is debarred from getting any benefits under the Veterans Land Act. He is debarred from any of his post discharge benefits, that is, to take a course of vocational training or a university course in order to fit him for civilian life.

I do suggest it is not too far to go to eliminate these boards and to pay for such honourable service as a man has performed who was finally dishonourably discharged. In his evidence Brigadier Topp told us of a number of cases that he had reviewed. I think it is worth while to refer to that because on page 118, dealing with the navy, he says that of the cases that he has reviewed 40 per cent of the applications which are referred to his board are granted. That means that his board in the past has disallowed gratuities or grants or whatever you call them to 60 per cent of the men who were dishonourably discharged whose cases were referred to the board. I feel that any board may adopt the same attitude. I am quite certain that Brigadier Topp is most conscientious in his attitude but I do not believe that it is really the wish of this committee that there should be anything like that percentage turned down. Therefore, I would suggest that we consider the amendment to the amendment which is the deletion of these two paragraphs and the granting of these gratuity credits to every man who is dishonourably discharged for that period of honourable service which he gave. I submit it on humanitarian grounds and on grounds which are considered in the release of the criminal class from penitentiaries. I think we must avoid at all costs driving these soldiers who have erred into the criminal ranks.

Mr. CLEAVER: I have a suggestion to make on procedure. Mr. Merritt has made an additional suggestion as an amendment to the section. General Pearkes' amendment to the amendment can hardly be considered as such by the committee until we are all agreed on the original motion. To untangle the procedure and clarify it my suggestion would be that those who are prepared to move motions to amend the section should be content to stand aside and wait. General Pearkes' motion is not a motion to amend the section. His motion is a motion to delete it. Could we not consider General Pearkes' amendment to the amendment as a substantive motion to delete those two sections, vote on that, clear up that point, and then go on from there?

Mr. MERRITT: On that point I want to apologize to the committee for having put my suggestion forward. I know it was in breach of the rules of procedure. I only did it in that way because of the one offered by the department. I felt I had better get mine in then. Otherwise I would have simply stated I had such a thing under my hat and would produce it at the proper time.

The CHAIRMAN: What I had in mind, gentleman, was that the difference between the proposal brought in by the department and the proposal by Mr. Merritt was that the proposal brought in by the department would mean that the board of review would have to say that a man was in or out, that he either got the gratuity and credits or he did not get them. They would have to make the decision. Mr. Merritt's suggestion would enable them to hedge on every

application. They could say, "Well, this is not very serious but still we will cut him down a little bit." They would be able to say in the case of a very serious case, "We will give him a small amount." In other words, they could grade every allowance. It seems to me that before we try to get down to drafting amendments to suit the committee we should decide in this committee whether we are going to leave it to the board to decide whether a man is in or out or whether we are going to leave it to the board to decide to what extent he is in or out. That is a question of principle. Once we agree on that we can proceed.

Mr. PROBE: Or on whether we take it out of the hands of the board, Mr. Chairman.

The CHAIRMAN: That is a third possibility, but I think it would be the usual way to proceed to first of all have it decided whether we take it out of the hands of the board altogether and give it to everybody, as Mr. Pearkes suggests. The second suggestion is whether we should give the board the right to say to what extent they are in or out, and then the third suggestion is whether we should leave it to the board to say whether once a man is ruled on that he gets it all or does not get anything. Those are the three positions which have been taken by members of the committee. Once we know how the committee regards this then we can very easily get an amendment to meet the view of the majority of the committee. If it meets the view of the committee I had thought, although it is very unusual, that we might take a show of hands of all those who are favourable to Mr. Pearkes' suggestion that you take out of the Act altogether any reference to misconduct and pay it to everybody. If that meets with the approval of the committee we can take a show of hands and decide that.

Some Hon. MEMBERS: Question.

Mr. BROOKS: Might I ask what percentage of the cases which have been reviewed by this board have been accepted so far so that we will get an idea of how many they are putting through?

The CHAIRMAN: Did you hear that, Brigadier Topp? What percentage has been allowed of those referred to your board?

Brigadier TOPP: The percentage is roughly 40 per cent. Of the remainder, of course, a good many are cases over which we have no jurisdiction by virtue of the stated reason for discharge.

Mr. QUELCH: Before the vote is taken I should like to say a few words. It seems to me that in referring the question of misconduct to a board we are asking them to make an interpretation or decision as to the purpose for which these grants are being paid, that is to say, as to whether they are being paid as a reward or in the form of rehabilitation. I do think that decision should be made by this committee and not by that board. As I think Mr. Probe mentioned that board is bound to be under a certain amount of pressure from the government. The government of to-day perhaps may be an exceedingly sympathetic one on this question. The next government may be entirely different.

I think every member of this committee who has been familiar with the operations of certain government boards in the past knows very well that some of their decisions have been very much under pressure from a department of government. If we decide these grants are a rehabilitation measure and not a reward then what effect does that have upon those soldiers who committed serious crimes? I would say if they are considered rehabilitation measures then the man who commits a serious crime and suffers serious punishment upon his discharge will require these benefits to an even greater degree perhaps than the man who receives no punishment at all. Certainly I would say that the dependents of these men will need them, especially in the case of a soldier who is shot. Again I want to stress the fact that when a man commits a serious crime he receives serious punishment. That punishment should be considered as the full punishment for the crime and under this measure we should not at this time try to increase that punishment.

Mr. GILLIS: May I ask Brigadier Topp a question? Just a moment ago in answering a question from over here he stated that 40 per cent of the cases referred were granted and that as to the other 60 per cent they had no jurisdiction over them because of the stated reason for discharge. Am I to understand by that that if the reason stated for discharge is misconduct then you have no opportunity to deal with it?

Brigadier TOPP: If the reason for discharge is sentence of court martial under the present legislation we have no jurisdiction whatsoever to alter that decision or, in other words, to award gratuity. Nor have we any jurisdiction under the existing Act to award gratuity in any case in which misconduct is the stated reason for discharge. In some cases, however, where the stated reason was misconduct, we have been able to persuade the service concerned to amend the discharge certificate to a less severe reason. Following that the gratuity has been awarded. In cases of sentence by court martial, and generally speaking in cases of discharge following civil convictions, we have no jurisdiction whatsoever, nor have the services, to alter the stated reason for discharge.

The CHAIRMAN: You understand this Act would give them full power?

Mr. GILLIS: That is exactly what I am thinking about.

Mr. BROOKS: Might I ask a hypothetical question? If you had the authority which is now proposed what percentage of those cases do you think might put through other than the 40 per cent which you did pass?

Brigadier TOPP: It is very difficult to answer that question. I do not think I could answer it intelligently at this stage. At the request of the chairman I have prepared some general observations as to the class of cases which we would be disposed to grant if given the requisite authority. Whenever the committee wishes to have that information I would be prepared to give it.

Some Hon. MEMBERS: Question.

Hon. Mr. MACKENZIE: I wonder if I could say one word as I have to go. One of our honourable members raised the question of the relation between war service grants as such and rehabilitation credits as such. I can only tell you the basic idea behind it last year. The basic consideration was that war service grants were the expression of the nation's gratitude to those who had rendered service in the field. Rehabilitation credits were intended to be twofold, first for the re-establishment of those who have qualified for them, and also through that re-establishment for the building up of the economy of the nation. The two things were separate in the minds of those who were responsible for the drafting of the legislation last year.

There is one other point I wanted to mention. This deals with benefits for servicemen. It deals with the question of misconduct discharge. While we cannot very well, as a committee on veterans' affairs, interfere with the regulations governing misconduct discharges in national defence I think that this committee would be quite free, and should feel itself free, to make a recommendation to parliament under which the board of review, granting in whole or in part certain benefits under this Act, could make a recommendation to the responsible authorities if they found that the situation warranted it that the whole certificate of discharge might be amended so that the discharged ex-serviceman might qualify for other benefits as well.

Mr. CROLL: Let us have the question.

The CHAIRMAN: Can we take the question? All those in favour of wiping out the provision for a board of review altogether please raise your hands. There are 14 in favour. All those against, please raise your hands. There are 28 against. Can we take the vote now on the other question, or is it the desire of the committee to discuss further whether we should leave it to the board

of review to decide the extent to which they will give a man credits or leave it to the board of review to decide whether he shall get them or not?

Mr. MERRITT: Mr. Chairman, I should like to say a word. I am in a very difficult position. I have a meeting to which I must go at 11.30 and it is now twenty-five minutes to twelve. I cannot very well get out of it so I must go. I do want to say that my departure does not mean that I do not move my amendment with all the spirit I have got. I would much rather stay but I am afraid I cannot avoid going to this other meeting.

Mr. GILLIS: Mr. Chairman, let us understand what we are voting on. In asking Brigadier Topp that question a moment ago what I had in mind was as to whether he felt that the amendment now proposed by the law officer of the Crown would eliminate the difficulties he had in the past. I do not think he had any administrative latitude at all in the past on this question of misconduct. If the discharge read misconduct then he had no power to adjudicate on it whatsoever. I am still not clear in my own mind as to whether the amendments now proposed place the board of review in the position that when a gratuity problem comes to them and the discharge reads misconduct the board is not still in a position where they must first go to the army or other service that issued the discharge for misconduct and wrangle with them in order to change the discharge certificate before they can grant that gratuity.

The CHAIRMAN: I can answer that and make it very plain. Under this proposal of the department the board of review, no matter what kind of discharge the man got, would have power to give him all of his gratuity. There is no question about that. Under the proposal of Colonel Merritt they would have the power to say in any case whatever, "We will give a part of the gratuity or all of it." In other words, if the discharged man should get the gratuity they could still say he should not get it all or they could say, "This is such a serious case that if we had to decide whether we would give it all we would give none." Colonel Merritt's idea is that they should be given power to give part of it for good service.

Mr. GREEN: Mr. Merritt has asked me to follow up what he said. I think the chairman is missing the main point of Mr. Merritt's suggestion. He feels that these words, "The true spirit and intent of this Act" are too indefinite. There is nothing in the Act that lays down what the intent and spirit of that Act is. In order to get around that he uses this test, "In consideration of useful service rendered to His Majesty." In other words, he feels where there has been useful service that the board should take direction from this committee that the member should get the reward. Then, Mr. Chairman, as I understand it the reasons Mr. Merritt has put in "in whole or in part" was not with the slightest idea of depriving any member of the forces of any of the benefits, but rather with the idea that where there is something bad in his record the board might feel they could not grant him the whole gratuity or the whole benefit, and if they had to grant him either the whole or nothing then they would grant him nothing. And so the suggestion is that in cases like that the board should have the power to grant the benefits for the period of good service, and his suggestion certainly gives the board something to go by. That is, where any man has rendered useful service he could receive a benefit for it. I think that sums up his suggestion.

Mr. SINCLAIR: I think I would like to be a little more clear as to just what Mr. Merritt had in mind.

Mr. GREEN: I think that what he had in mind was that any person who might have had, say, two years of good service out of a total of three years service should be entitled to get the gratuity and credit for the years of good service.

Mr. GILLIS: May I ask a question? Does this amendment presuppose that civil convictions will also come under this board?

The CHAIRMAN: Yes.

Mr. GREEN: This amendment would cover everything, whatever the reason of discharge. It says, "notwithstanding the reason for discharge the board may,".

The CHAIRMAN: The departmental amendment was so worded as to cover the whole thing. Mr. Merritt may not have noticed but we tried to have the same thing in the departmental recommendation. We said, "consider the nature and extent of service rendered". He said, "useful service rendered"; and, "nature and extent" had in mind exactly the same thing. I do not think we are far apart at all; it is a matter of trying to embody the idea.

Mr. PROBE: Is that supposed to be written into the Act?

The CHAIRMAN: Into the Act, yes.

May we take a vote on this question. Mr. Merritt's suggestion is that the board have two functions, one to decide whether the man should get the gratuity or not and the other to decide the amount of that gratuity.

Mr. BROOKS: May I just ask there, Mr. Chairman, is that not the principle now in granting gratuities; that is, if a man has had detention during his war service that is taken out anyway?

Mr. CROLL: That is right.

Mr. BROOKS: And the principle in granting gratuities now is the nature of the service the man has rendered.

Mr. CROLL: That is right.

Mr. BROOKS: That is the same principle as is embodied here in Mr. Merritt's amendment.

The CHAIRMAN: Brigadier Topp, would you like to make an observation about that?

Brigadier TOPP: I just wanted to say, sir, in regard to Colonel Merritt's suggestion, that I think it would be extremely difficult to draw a line as between what was good service and what was bad service. I think substantially it might be said that everyone who served had some period of good and bad service; and I think that if an amendment of the nature proposed by Colonel Merritt should be adopted, that in its actual administration it would be necessary to say, "all or nothing" in most cases. There is one case, however, where I think such a provision would be very helpful, and that is the case of the member of the forces who served both in the ranks and as a commissioned officer. We find not infrequently that chap gave excellent service over a period of years as an N.C.O. and because of that service he is selected to become a commissioned officer and he so qualifies. Then for some reason, perhaps different surroundings in which he found himself or something of that sort, he would get into trouble and possibly be court-martialed and be dismissed the service as a commissioned officer. I think we could very reasonably under such a proposal as has been suggested separate the service in the ranks and the commissioned service for the purpose of gratuities. Offhand I cannot think of any other class where something of that sort could reasonably be done.

The CHAIRMAN: On that point, Brigadier Topp, if through mistake you appointed a man who was not able to carry an extra heavy responsibility, would you not think you were obligated to pay him his gratuity in full?

Brigadier TOPP: That might well be considered, and would no doubt be considered under this discretionary power. If, I suggest, it is necessary to pay part gratuity, that is the type of case in which it might reasonably be done. In a great majority of the cases I suggest that if the service is sufficiently useful and the character of the individual is good and all that sort of thing, then it will

be much wiser to give him the whole gratuity rather than only part of the gratuity.

Mr. MUTCH: Just on that point, I was not sure that Brigadier Topp got that clearly; but it seems to me that any man who is made an officer—not on his own volition, but if he is promoted beyond his capacity—and his original service was good, it might be presumed that he would have continued good had he not been so promoted. Even in that case I do not see why the board would want to try to stop it; I think in such a case a man should receive his full gratuity.

Mr. HERRIDGE: Speaking in opposition to Mr. Merritt's amendment, I think it would be most unwise for this committee to adopt that amendment. You would be handing over to the board in future a situation which I think provides nothing but endless complications and difficulties. Mr. Merritt mentioned border-line cases. I think in bringing in that sort of thing we would be going against the spirit of all legislation on behalf of veterans. In my opinion border-line cases should have the benefit of the doubt. I hope the committee will vote the amendment down.

Mr. GREEN: May I ask Brigadier Topp a question? I understood you to say when you were giving your evidence that at the present time you do split up the service and give a man gratuity or credit for only a portion of his service. I may have been wrong, but that was the impression I got from listening to what you said.

Brigadier TOPP: I think I must have given the wrong impression if I said anything of that sort. We have no authority whatsoever to say anything but "entitled", or "not entitled".

The CHAIRMAN: Shall we have a vote?

Mr. GREEN: I do not think Mr. Merritt intended the committee to vote on his amendment. It was simply a matter of trying to be helpful and trying to provide an alternative clause. What about this basis of useful service; is your proposed amendment strong enough along that line, or is it weak?

The CHAIRMAN: Do you prefer, "shall take into consideration the nature and extent"?

Mr. MUTCH: Read them both.

The CHAIRMAN: All right. This is the departmental proposal:—

It shall be the duty of the board and it is hereby empowered to examine every application referred to it pursuant to the provisions of sub-section 1 of this section and to consider the nature and extent of the services rendered by the member of the armed forces and to investigate the circumstances under which the member was discharged and for that purpose the board is authorized to make such enquiries, hear such witnesses, and take such evidence as it may deem necessary.

Mr. GREEN: Read the next paragraph too.

The CHAIRMAN: Then:—

Where, on such examination and investigation, the board is of opinion that it would be inconsistent with the true spirit and intent of this Act to deprive the member of benefits of the Act by reason of sections 11 and 12 of the Act, the board shall by order direct that the member shall receive the benefits of this Act as completely as if said sections 11 and 12 were not part of this Act;

and we tried to get it there, I think; the wording is "nature and extent of the services rendered".

Mr. CRUICKSHANK: Could a man appear before them?

The CHAIRMAN: I do not know that we need to deal with that here. There is provision that the board shall make regulations, because section 11 authorizes the board to make such enquiries, hear such witnesses and take such evidence as it may deem necessary; and, under the regulations it will be provided that a man may have the right to appear himself and have his expenses paid.

Mr. FULTON: May I suggest to the committee that I do not think the departmental amendment goes far enough. I think we should give to the board some clear indication of the principle by which they should be guided. For that reason I think the amendment proposed by Mr. Merritt is to be preferred to the one offered by the department, in that it sets out the principle on which the board should act in making its decision. His amendment provides that the board in making its decisions shall take into consideration useful service by the member whereas the departmental amendment puts the onus on the board of interpreting what is the spirit and intent of the Act.

The CHAIRMAN: There are two things which the committee will have to consider; one is the title of the Act, to provide for the payment of war service gratuities and for the grant of re-establishment credits to members of His Majesty's forces in respect of service during the present war; and the departmental suggestion was that they should consider the nature and extent of the service. And it seems to me that that is even wider.

Mr. FULTON: What do they mean by that?

Mr. GREEN: Why not change your last paragraph and trust the board to base its decisions on that rather than refer to, "the true intent and spirit of the Act", which is quite indefinite?

Mr. MUTCH: Do you not think it does that?

Mr. GREEN: Pardon?

Mr. MUTCH: Do you not think it does that? If not, what would you suggest?

Mr. GREEN: I think it could be put more clearly as I said it rather than bringing in the words, "true intent and spirit of the Act."

Mr. CROLL: Does not that give them latitude?

Mr. MUTCH: I think this is wider.

Mr. CROLL: I do not think it matters so much what the words say at the moment so long as, first, they are wide enough; and second, as Brigadier Topp has heard everything that this committee has said from time to time at its sittings, we have given him, I think, a post-graduate course as to what he ought to do; and if he does not do it he will be back here again next year.

Mr. CRUICKSHANK: In order to bring the matter to a head I would move that the amendment by the department be adopted.

Mr. BROOKS: Before that amendment is put, I would like to ask if that means that all the cases which have already been reviewed by the board, if this amendment is passed, will again come up for review by the board?

Brigadier TOPP: Unquestionably, Colonel Brooks. That would be the first thing we would do, I would imagine.

Mr. MUTCH: Mr. Chairman, I gather from what Mr. Green has said that it is not the intention to divide the committee on Mr. Merritt's amendment at all; therefore the next regular item of procedure would be the amendment now before the committee moved by myself and seconded by Mr. Croll; and with Mr. Croll's permission and the consent of the committee, Mr. Chairman, I would like to ask the permission of the committee to withdraw the amendment which I made the other day and to substitute for it the amendment which we have heard this morning. In that way we can then discuss the amendment as it appears now pretty well to suit everybody, and that might eliminate a lot of

discussion. I would ask for the consent of the committee to do that. I have the consent of my seconder to withdraw my motion.

The CHAIRMAN: Is that agreed?

Agreed to.

Mr. MUTCH: Then I will move, seconded by Mr. Croll, consideration of the amendment as prepared by the department, for discussion of the committee now.

The CHAIRMAN: Is that agreed?

Motion agreed to.

The CHAIRMAN: As I understand it we are carrying the actual amendment which you are moving.

Motion agreed to.

The CHAIRMAN: And now then, that brings us back to the definition of "misconduct". That is section 1 (o), which you will find on page 2 of the draft bill:—

(o) "misconduct" includes

- (a) the commission of an offence under the Naval Discipline Act, the Army Act or the Air Force Act, of which the member was convicted by a court-martial including, in the case of naval forces, a disciplinary court or of which he was found guilty upon summary disposition of the charge;
- (b) the commission of an offence of which the member was convicted by a court of competent jurisdiction;
- (c) such misconduct as might, in the case of an officer, result in his removal from the forces.

Mr. CRUICKSHANK: Mr. Chairman, I object to the clause which says "guilty upon summary disposition of the charge". I still am not satisfied with that and I would like to see something better submitted by the law officers of the department. As it stands, a discharge for misconduct may be built up out of a series of minor offences. I suggest that our legal advisers find something more clear as to what that means. I am not prepared to accept that, "summary dismissal—summary disposition of the charge".

Mr. CROLL: I move the section be adopted.

The CHAIRMAN: Shall the section carry?

Mr. CRUICKSHANK: I am going to speak against that. As it stands now, what does it mean? It means, as Mr. Sinclair brought out in one case the other day and as I pointed out from a case taken from my own actual experience, that a man may have but one serious offence on his charge sheet but a whole long series of minor offences—for the sake of argument, not shaving on parade, not polishing his buttons, and so on; he may have a long series of such minor charges built up on his record and then be let out for misconduct, with the result that when he comes before the board to get his grant or under the Veterans Land Act, he is turned down because his record apparently shows that he is not reliable. That is my understanding of the effect in operation of sub-section (o). I do not think any command officer—he might be very experienced or he might be very junior in rank—should be able to build up a series of minor defalcations of that kind against a man, or have this used in that way. I object to "summary disposition of the charge" and I want to make myself quite clear on it, and I intend to vote against it here and to speak against it again, if it goes through in this form, when it comes up in the House.

The CHAIRMAN: At the risk of taking time which I should not take, may I say again that the services to-day give discharges and sometimes put on them, "for misconduct". Whether we carry the section on that or not will not

affect the situation a bit. All we are saying is that in a case where they do get a discharge for misconduct the board can open it up and grant the gratuity in full.

Mr. MUTCH: The board could ignore it.

The CHAIRMAN: In any event, the carrying of this section does not affect the standing of the discharge certificate in any way, shape or form. I think that should be fairly clear.

Mr. CRUICKSHANK: I do not agree. I am entitled to my own opinion, and I do not agree with that. In the first place, Mr. Chairman, I would like to ask, so it will be a matter of record, that the committee be supplied with the names and service records of the present personnel of this board. We want full particulars of the service both in the present war and the other, so we will know which of them served in actual theatres of war.

The CHAIRMAN: It will be a good thing to have that in the record.

Mr. CRUICKSHANK: I want to know the name of each member. I want to know if he had service in actual theatre of war, and what his qualifications are to sit on this board. I want that information. I think Mr. Merritt and Mr. Green have been very fair. Mr. Gillis has been very fair, and I want this to be unanimous: but I want to tell you frankly, that if this goes through in its present form and is so reported to the House, I intend to rehash the thing on the floor of the House of Commons.

Mr. QUELCH: Mr. Chairman, I was opposed to referring these cases to the board, but we have decided to refer them to the board. I would say that if that board is going to be any good at all such cases as are now being referred to by Mr. Cruickshank would, I imagine, probably be thrown out on the grounds of depriving them of their benefits.

Mr. SINCLAIR: I would like to say one word about the point just raised. I gather from what Mr. Cruickshank said that he is confusing the actual entry of misconduct on the man's charge sheet with a discharge for misconduct. I can speak of my own experience in the air force, and so far as the air force is concerned men were discharged for misconduct much more easily and much more quickly and probably for less reason than would be the case with either the army or the navy. That is one of the reasons why the army picked them up as soon as we put them out.

Some Hon. MEMBERS: No, no.

Mr. SINCLAIR: That is quite true. It was not at all unusual in the air force for a man to be let out on grounds of misconduct as the air force saw it, and they would notify the army that the man was being discharged, and the army or the navy, and the army would pick them up. That was a usual thing. But no man was ever discharged for any of those little minor breaches or types of misconducts that my honourable friend is concerned about—such as he undoubtedly has committed himself in days gone by, of having his buttons unshined or not shaving. The discharges were for grave things. As Mr. Quelch has pointed out, even those accumulations of misconduct which resulted in discharge for misconduct are all reviewed by Brigadier Topp's board.

Mr. GILLIS: Is that not merely a matter of definition?

Mr. MUTCH: It is perfectly clear that this veterans' committee has no power to say to the services what they shall construe to be misconduct. Before the minister left the room he did suggest to us that he thought it would be in order for this committee, as a parliamentary committee, to suggest through parliament to the services that we felt that these misconduct discharges—it concerns us all very deeply—should be amended when a favourable award was given. If Mr. Cruickshank or any one else in the committee is prepared to move such a resolution, and that this committee so report to the House, I

should be very happy to second it. But I point out again, as Mr. Sinclair has done, that we are confusing the regulations of military departments with a veterans' organization, and we have no power. We have already taken the power to throw their discharge out of the window as far as gratuities are concerned, through the board; but we cannot tell them how they can discharge people. It is not the function of this committee.

Mr. CRUICKSHANK: Am I to understand from Mr. Mutch that this committee has no power to make a recommendation as to what the definition of misconduct is? Then why is it in the bill? Of course we have every right to make a recommendation as to what misconduct is or else we should not be sitting here, and that clause should not be before us.

Mr. MUTCH: You misunderstood me. I said that if you would move that recommendation, I would second it. That is a different question.

Some Hon. MEMBERS: Question.

Mr. HARRIS: I cannot let Mr. Sinclair get away with that. I remember on many occasions encouraging members of my own regiment to transfer to the air force.

Mr. SINCLAIR: They transferred by themselves, to improve their status.

The CHAIRMAN: It has been moved that the section carry. Shall it carry?

Mr. CRUICKSHANK: No.

Mr. FULTON: While we are on this subject, it has been pointed out previously that any one who applies for a job in civilian life has to present his discharge certificate and so on; and so this question of misconduct has ramifications which are beyond the actual scope of this Act. I do not want to dwell on this, but I do want to recall that that has been brought to our attention, and as this is a committee on veterans' affairs I wonder if the committee while it adopts this clause, would consider it worth while making a recommendation to the armed forces that they would revise their grounds for discharge and that no entry on a discharge sheet for misconduct appear except as a result of sentence of a court martial, so that you do not get what Mr. Cruickshank is afraid of which is a long series of petty crimes accumulating and the officer giving him his discharge marking misconduct as a result of that. That would make it so that misconduct can only be shown as a reason for discharge where the sentence of court martial precedes the discharge.

Mr. CRUICKSHANK: I would like to second that, if Mr. Fulton would move it. That is the point I am trying to get at. I am perfectly satisfied.

Mr. SINCLAIR: That is the minister's suggestion.

Mr. CRUICKSHANK: It is not in. You are no better lawyer than I am.

Mr. SINCLAIR: Not as good.

The CHAIRMAN: In answer to Mr. Fulton, I point out that the minister suggested we should give consideration to some recommendation to the armed forces—

Mr. MUTCH: To parliament.

Mr. SINCLAIR: To parliament, he said.

The CHAIRMAN: To parliament, yes, in regard to these discharge certificates. I think that would be a matter where we would have to give some consideration to it and hear some representations. But it seems to me that that is not involved at the present time.

Mr. FULTON: Not the whole thing, but part of it is. It is involved when a man gets a misconduct discharge and then has to go to the board of review.

The CHAIRMAN: We are deciding in what way a discharge for misconduct shall be handled in regard to gratuities. If you try to import into this discussion

how the armed forces will issue discharges and what they shall put on them, that is another thing.

Mr. FULTON: Do not read that into my words. We have a section in the Act or a subsection which gives us the right to define misconduct for the purpose of this Act. I do not think we are importing something foreign in to the discussion. However, I do not want to hold up consideration of the matter.

The CHAIRMAN: I am in the hands of the committee.

Some Hon. MEMBERS: Question!

The CHAIRMAN: Is it the desire of the committee that we should vote on it?

Mr. LENNARD: That is a very important point and should be considered.

Mr. MUTCH: There is a motion.

The CHAIRMAN: We decided yesterday we would go ahead and consider these Acts in an orderly fashion. This is another matter, but I agree it is most important.

Mr. FULTON: It is in the Act.

The CHAIRMAN: It is most important. It is in the Act having reference to payment of gratuities and re-establishment credits only. The other thing is something which I agree we should make a recommendation on, but that is another matter entirely.

Mr. LENNARD: When would it be taken up?

The CHAIRMAN: As soon as the steering committee recommends it should be taken up and the committee approves. I think that is correct.

Mr. MUTCH: Mr. Chairman, you have a motion.

Mr. QUELCH: Could you clarify a point, Mr. Chairman? When a case of misconduct is referred to the board, and the board decides that the man shall not be deprived of benefits on account of misconduct, will the board then have power to have his discharge sheet changed so that misconduct does not appear?

Some Hon. MEMBERS: No.

The CHAIRMAN: The suggestion of the minister was that we recommend, or that we consider recommending in our report to the House, that where the board decided that he should get his full gratuity and re-establishment credit, they might then give consideration to the matter.

Mr. MUTCH: There is a motion before the committee.

The CHAIRMAN: Is it the pleasure of the committee to adopt the section?

Mr. GILLIS: I want to clear this up. Were it not for the fact that we just passed that amendment I would be with Mr. Cruickshank on this thing. But on the basis merely of a matter of definition now, based upon the methods used by the services in discharging people, it is necessary there. I hope that the next thing that will follow this will be a discussion on that misconduct discharge.

Mr. MUTCH: There probably will.

Mr. GREEN: Could we save time by setting up a subcommittee on which Mr. Cruickshank would be very valuable member, to go into this question and work out a recommendation?

Mr. MUTCH: You move that, and I will second it.

Mr. GREEN: I move it.

Mr. MUTCH: I second it then. Who are they to be? You name them.

Mr. GREEN: I do not know, beyond Mr. Cruickshank.

Mr. MUTCH: You have a motion, Mr. Chairman.

The CHAIRMAN: We have a motion. The suggestion is that a subcommittee be set up to consider the suggestion of the minister and report back

to this committee on some recommendation to parliament in regard to discharges. That is something that is outside of this bill; and as soon as we get rid of this subsection, then your motion would be in order if you wish to make it. Is it the pleasure of this committee to adopt this definition of misconduct?

Some Hon. MEMBERS: Carried.

Mr. CRUICKSHANK: Is there not a motion before the committee?

Mr. FULTON: I asked that it be taken into consideration. As the will of the committee appears to be as expressed by the chairman, as I have not made the motion I will not move it.

Mr. MUTCH: A moment ago there was a motion that the question be now put, Mr. Chairman.

The CHAIRMAN: Is it the pleasure of the committee to pass this definition of misconduct?

Some Hon. MEMBERS: Yes.

Mr. CRUICKSHANK: No.

The CHAIRMAN: Carried.

Mr. CRUICKSHANK: No.

The CHAIRMAN: Carried on division.

(Subsection agreed to)

Mr. GREEN: I should like to make that motion.

Mr. MUTCH: I will second it.

The CHAIRMAN: It is moved by Mr. Green that we set up a subcommittee to study the question of a possible recommendation, to the committee to be embodied in a recommendation to parliament, having to do with the reconsideration of discharge certificates. Is that correct?

Mr. BELZILE: By the Department of National Defence.

The CHAIRMAN: It will be submitted to parliament.

Mr. SINCLAIR: Is that just purely those misconduct discharges for which the board has given a gratuity? Those are to be referred back to the services?

Mr. GREEN: No. What I had in mind was to give the subcommittee wide power, full power.

The CHAIRMAN: To study it.

Mr. GREEN: To study the question and bring in a recommendation to this committee as to some change in the manner of the wording of discharge certificates.

Mr. BELZILE: According to the request of the Legion.

Mr. GREEN: Well, I do not remember what the Legion asked.

Mr. MUTCH: It has been perfectly clear in this committee that all of us, without exception, are concerned about the effect on the discharged veteran himself of the type of discharge certificate which is in effect. That committee should have power to suggest that this committee report to parliament our opinions, and the defence department should be informed of what the will of parliament is with respect to that. That can be as wide as the committee likes.

Mr. GREEN: Wide open.

Mr. MUTCH: Wide open—discharge for anything.

The CHAIRMAN: Is it the pleasure of the committee to adopt that motion?

Some Hon. MEMBERS: Carried.

(Motion agreed to).

The CHAIRMAN: What is your wish in regard to the personnel of the committee?

Mr. MUTCH: Leave it to the steering committee.

Mr. GREEN: You name them, Mr. Chairman.

The CHAIRMAN: It is the suggestion of the mover that I name them. I will consult the steering committee.

Mr. LENNARD: Do not have it too large, Mr. Chairman, or they will have as much trouble there as we are having here.

The CHAIRMAN: The next section is 2, subsection (3).

Mr. MUTCH: What page is that?

Mr. JUTRAS: Section 3 is carried.

The CHAIRMAN: Section 2 of the bill, section 3 of the Act. Subsection (3), page 4, reads as follows:—

Where a member is posted to a special discharge unit or establishment and his pay and allowance are reduced by reason of such posting the pay and allowances received by him immediately prior to such posting shall be deemed to be the pay and allowances for all purposes of this section.

To that there is a proposed amendment by the department which is as follows:—

Where a member is posted to a special discharge unit or establishment and his pay and allowance are reduced by reason of such posting the pay and allowances in issue at the unit, establishment or ship where the member last served in his normal capacity or trade, shall be used for the purpose of computing the amount payable to him under subsection (2) of this section.

Mr. GUNN: Mr. Chairman, may I say a word at this stage. This amendment, as you have read it, was submitted and read into the record—I do not know whether it was read into the record or distributed—on October 29. It had been prepared over night by the appropriate officers of the defence services. Since that time, however, they have given the matter further study and they are putting forward a slightly changed amendment. It is to the same effect but they think—and I agree—that it is in simpler language and it approaches the proposal from another angle, from the obvious angle. With your permission I should be glad to read it.

The CHAIRMAN: Very well.

Mr. GUNN: It reads:—

Where a member is posted from an establishment, unit or ship for discharge purposes and his pay and allowances are reduced as a result of such posting the pay and allowances received by him immediately prior to such posting shall be used for the purpose of computing the amount paid to him under subsection (2) of this section.

Mr. MUTCH: Right away I should like to ask if this proposed amendment takes care of the chap who perhaps served for two years, we will say, with special pay in a theatre of actual war, who was returned from the unit to Canada, not specifically for discharge but employed in Canada perhaps without his having received that special pay? Does that provide for him or provide for those in that category credit for that period of service?

Mr. GUNN: Possibly the services had better answer that.

The CHAIRMAN: One of the members of the armed services is here. I would ask that he answer that.

Air Commodore MURRAY: As far as the air force is concerned I would say definitely that amendment will not take care of that.

The CHAIRMAN: Were you not consulted about the amendment?

Air Commodore MURRAY: I have not seen that.

The CHAIRMAN: I do not see why you gentlemen cannot get together on these things and bring in an amendment that will satisfy you.

Mr. CRUICKSHANK: Get together, boys.

The CHAIRMAN: Does that satisfy the army?

Colonel LAWSON: It would not take care of a person such as Mr. Mutch has described.

The CHAIRMAN: The question is, should it?

Mr. SINCLAIR: No, there is no reason at all why it should.

Mr. GREEN: Is not the whole difficulty here the basis upon which it is intended to be?

Mr. MUTCH: That is why I asked the question.

Mr. GREEN: Are you suggesting that the man should have his gratuity based on the highest pay that he drew at any time?

Mr. MUTCH: I am not suggesting anything. I am asking the question for my own information and the information of the committee.

Mr. CROLL: Let us hear from Colonel Lawson.

Mr. WOODS: Mr. Chairman, this question surely has reference to the 7 days' pay and allowances for each 6 months of overseas service.

Mr. QUELCH: And that only.

Mr. WOODS: And that only. Therefore I do not see how the case that Mr. Mutch quotes would be affected. He gets 7 days' pay and allowances of his rank for each 6 months of overseas service. Then you refer to the man who was transferred back to Canada and was back here for two years. Well, he does not get any 7 days' pay and allowances for the two years he is back here.

Mr. MUTCH: I just wanted to be clear. I am not taking sides on it.

Mr. SINCLAIR: The basis of that 7 days' pay and allowances is pay on discharge.

Mr. WOODS: Yes.

Mr. SINCLAIR: It might be that he might well have a lower rate of pay back here in Canada than he was getting during his period overseas.

Mr. CROLL: And it might be higher.

Mr. SINCLAIR: Yes, it might be higher.

Mr. CRUICKSHANK: May I ask a question there. My information is that the air force and, I believe, the navy, get a special leave on discharge of 28 days or 30 days. I think it is 28 days. The army has a special concession dating back to the 12th of September, and they get 7 days. Is that going to affect it? What I am trying to do—with very limited ability—is to see that the army gets exactly the same as the air force or any other branch of the services; and I understand that they are not at the present time. I think we should follow through on that. I understand the air force gets 28 days and the army gets 7 days.

Mr. SINCLAIR: What Mr. Cruickshank points out has nothing to do with it. That is army, air force or navy regulations. It is quite true that under the regulations in the air force a man who has more than 3 years' service does get 30 days leave on discharge; the army just gets 7 days and that very recently. But that is of no concern to this committee. It is of concern to parliament, but it is no concern of this committee. This bill is applicable only to gratuities payable after discharge.

Mr. CRUICKSHANK: It will not affect this?

Mr. SINCLAIR: No.

Mr. FULTON: Mr. Chairman, it seems to me that we are not quite agreed in this committee as to the principle which should govern in assessing the rates of pay on which gratuity is to be paid. I wonder if I might suggest that we might ask one of the service authorities to tell us what their view on that is, what principle they work on.

The CHAIRMAN: I was just going to ask Colonel Lawson to do that.

Mr. FULTON: That might help us.

The CHAIRMAN: Would you explain that, Colonel Lawson?

Colonel LAWSON: This amendment was prepared by me in consultation with the officers of the pay services of each of the armed services, and it is designed to set out in statutory language the present practice of the pay services in computing gratuities. I understand from the officers representing those services that they compute this overseas portion of the gratuity on the pay and allowances received by the man concerned immediately before the discharge procedure started to operate. It does not cover the case suggested by one of the members, that of a man who was serving overseas in a more remunerative capacity, then was posted back to Canada and served in a less remunerative capacity and then is subsequently discharged. His gratuity is based on the pay of the less remunerative capacity. But it does cover the case of a man who may be posted to three or four different units during the course of his discharge, in which units he gets a lower rate of pay. His gratuity is paid on the remuneration received by him during his last, what we might call, service employment as distinct from what we might call outside employment. That is the purpose of the amendment. It does, as I say, carry out, as I understand it, the present practice of the services. If any change is made in that practice, I might say, it would cause a very great amount of work in that all gratuities that have so far been paid would have to be repaid.

Mr. CRUICKSHANK: So what?

Colonel LAWSON: I just point that out.

Mr. LENNARD: If any injustice has been done, it most certainly should be rectified.

Colonel LAWSON: It is simply laid before the committee in order to bring out the present practice. As I say, as I understand it, this does put in statutory form the present practice.

The CHAIRMAN: Just in a word, it is to give them the pay based upon their pay when they entered the demobilization stream. That is one principle. Another principle might be to search back in their record and try to find the time when they received a higher amount of pay and base it on that. Of course, there are these two principles involved. I misunderstood the attitude of the air commodore. I thought they had not got together on the basis which we were trying to work it out on.

Air Commodore MURRAY: I think our difficulty is the phrase in there, "pay and allowance" which refers to pay and allowances dropping on the posting to the establishment. Where as a consequence of the posting the pay and allowance drop then he gets pay and allowances as at his last place of employment overseas. What happens if a man overseas is sent to a repatriation centre in the United Kingdom is that at that time he may get an acting rank because of the low establishment and he may lose some additional pay. He is then posted back to a repatriation centre here and is asked if he wants to remain in the service or go out. If he says he wants to go out he is then posted to a release centre. It seems to me that the amendment refers to the posting from the repatriation

centre in Canada to the release centre. On that posting there is no drop in pay and allowances. Pay and allowances drop at the repatriation centre in the United Kingdom, and therefore to my mind the situation is not parallel.

Mr. GREEN: Because they have included the words "In Canada".

Air Commodore MURRAY: Because it says as a consequence of such posting which is the posting to the release centre.

The CHAIRMAN: Can you answer that, Colonel Lawson?

Colonel LAWSON: That point was considered in preparing the amendment and our view was that when you are looking at it at the time in computing the gratuity you look back at the man's service and you see he has been posted to a repatriation centre and that subsequently he came to Canada and was posted to a release centre. It is clear at that time the posting to the repatriation centre was the beginning of the discharge procedure. He had to go to the repatriation centre to get back to Canada. Therefore in computing the gratuity you would take the pay and allowances received by him prior to his posting to the repatriation centre. I understand that is the practice in the air force at the present time.

Mr. MUTCH: I think you had better try again.

Brigadier DE LALANNE: Certainly from the point of view of the army the intention was to cover the case of the overseas officer or other rank. They were the ones who were losing out in this matter when the divisions were being broken up, where a man was losing trades pay or where an officer was losing staff pay or some other special rate of pay. This first came up, as I know very well, on one of my trips overseas. The point came up with those who were coming back to Canada and going out of the army having received during the latter part of their service regimental pay without acting rank pay or trades pay. Certainly we anticipated that would cover the overseas officer. That was the main purpose in the first place.

Mr. ADAMSON: This would cover the officer who, having an acting rank, was returned to Canada and was discharged at regimental rank, which is common practice in the army? It would give him his gratuity at his acting rank?

Brigadier DE LALANNE: At the rank he held when he last carried out official duties; in other words, when he completed his duties with his unit in the United Kingdom and went to a repatriation centre there. It is my understanding certainly, and certainly understanding of the other officers in the department in Ottawa, that this would apply to the officer who ceased his official duties at the time of his being posted overseas to one of the repatriation depots. From then on he might receive a lower rate of pay or allowances during his return home, during his disembarkation leave and during the short time he might spend in the discharge depot in Canada.

Mr. CRUICKSHANK: May I ask a question. It is not from a controversial point of view at all but this is all going on the record and there is so much about the staff officer. Am I to understand that it is clear that this covers trades pay of other ranks?

Brigadier DE LALANNE: All ranks.

The CHAIRMAN: I was going to ask a question along that line. Suppose a man served for two years overseas and then came back to Canada on the grounds of being wounded or something like that, and he was drawing some special trades pay overseas. Then in this country he would probably serve on the home war establishment for a year or two years. Would he be deprived of the benefit of the work he did overseas by virtue of this section?

Brigadier DE LALANNE: If he was receiving a lower rate of pay during actual service in Canada my understanding is this only gives him the benefits at that lower rate of pay if he had been unfortunate enough to serve in Canada at the lower rate.

Mr. QUELCH: I think that is absolutely wrong, because the seven days' pay is definitely the basis on overseas service and has nothing to do with Canadian service. Therefore, why should it be awarded on the basis of the reduced pay in Canada?

Brigadier DE LALANNE: I do not think that is covered. That is a different point from the one brought up.

Mr. JUTRAS: There is one point which is not quite clear. Take the case of an air force lad or officer overseas. He may have completed two tours overseas and then have been posted to an administrative job in Canada for a few months. Do I understand from that his gratuity would be based on his ground pay he is getting here in Ottawa?

The CHAIRMAN: Apparently so.

Mr. SINCLAIR: No.

Mr. JUTRAS: Suppose he has completed his tour overseas and he remusters to intelligence.

Mr. SINCLAIR: His vested pay is protected.

Mr. JUTRAS: Just a minute; I do not think in either case he keeps his flying pay. He is allowed to keep it for a certain length of time but after a certain length of time I think he has to take ground pay.

Mr. QUELCH: Would it not save time to refer the matter back?

The CHAIRMAN: I was going to suggest that. Seemingly there is a point raised here which has not been fully considered. I suggest we let it stand and ask the service officials to try and draw up an amendment. I think it is the idea of the committee that this shall be based upon their overseas service.

Mr. FULTON: I wonder if the service officials would take into consideration also the question of whether this will affect the men very much. As far as I can make out most men or officers who came back from overseas and served in Canada were treated very well. In the case of the air force it has been pointed out by Mr. Sinclair that their flying pay is protected, and I know in the case of the army tradesmen were far more generously treated in Canada because the establishment was larger and the training schools were here. It was frequently the other way when you went overseas. There was no vacancy in the particular appointment. I think it is correct to say generally that officers of the army who came back and served quite a length of time in Canada were more generously treated from the point of view of promotion. Therefore I would ask the service authorities if they would take into consideration also whether, as it stands now, there is a possibility that it will not work any serious hardship?

The CHAIRMAN: Then we will let that stand and try to deal with it tomorrow. We still have five minutes to go. May we carry subsections 5 and 6? Subsection 5 is on page 4.

(5) A period of overseas service shall be deemed to commence on the day the member is posted to the strength of an overseas unit, establishment, or ship and to conclude on the day he is taken on strength from overseas.

Is that satisfactory?

Some Hon. MEMBERS: Yes.

Carried.

The CHAIRMAN: Then, subsection (6).

(6) A period of temporary duty overseas shall be deemed to be a period of overseas service and to commence on the day of proceeding from the parent unit, establishment or ship and to conclude on the day of the return thereto.

There was one question raised on that. A person might be posted and then not proceed for several months. Have you anything to say on that, Colonel Lawson?

Colonel LAWSON: I do not think it is the practice to post people and then not send them. I do not know of any case of a man being posted and not proceeding for some months.

Mr. CROLL: They have to re-post a man immediately for ration purposes because he would get off ration strength.

The CHAIRMAN: I mentioned it because it was brought up in the committee. Can we carry that subsection?

Some Hon. MEMBERS: Yes.

Carried.

The CHAIRMAN: We have got a further clause to be added as clause 7. This is on page 4. It is a further subsection.

(7) In the case of naval forces the date shown on the certificate of service and on the list of official appointments shall be used for the purpose of this section in determining the dates of posting to and from His Majesty's Canadian ships and establishments with respect to any former member.

Mr. CROLL: What was the intention? What were you trying to cover?

The CHAIRMAN: The naval people are here. Would you explain the purpose of this amendment?

Commander SHARPE: The purpose of this amendment was to make clear the word "posted". It does not apply to the navy. It is merely an administrative ruling to clear up that particular word.

The CHAIRMAN: Thank you. Is it carried?

Some Hon. MEMBERS: Yes.

Carried.

The CHAIRMAN: We will adjourn now until to-morrow at 10.30.

The committee adjourned at 12.30 o'clock p.m. to meet again on Friday, November 2, 1945, at 10.30 o'clock a.m.

APPENDIX "A"

DOMINION COUNCIL CANADIAN NON-PENSIONED
VETERANS' WIDOWS

RESOLUTIONS

1. We resolve that the widow's allowance, now payable under the War Veterans' Allowance Act, be raised to Forty Dollars (\$40.00) per month and that this amendment apply to all non-pensioned widows whose husbands served in any of His Majesty's Canadian Armed Forces whether in an actual theatre of war or otherwise.
2. That legislation relative to war widows, under the War Veterans' Allowance Act, be made permanent.
3. Whereas hostilities now have ceased, many Veterans' Widows between the ages of forty-five and fifty-four years, who have been employed during the war years, now find themselves unemployed and unemployable. We ask that the age limit be removed.
4. That son or daughter of a veteran, irrespective of age, who is so incapacitated by physical or mental disability as to be incapable and not likely to become capable of earning a livelihood, be eligible for Orphans' Allowance.
5. Whereas we recommend that an amendment to the War Veterans' Allowance Act be made whereby all veterans and widows, in receipt of the allowance, receive free hospitalization under the Department of Veterans Affairs.
6. Be it also resolved that representatives of the Non-pensioned Veterans' Widows Associations be called before the War Veterans' Allowance Board, at their discretion, to discuss problems appertaining to the widow.
7. Whereas we recommend that broader consideration be exercised with regard to the deserted wives whose circumstances, in many cases, are urgently needful and worthy of consideration.
8. Be it resolved that dependent mothers with sons who died as result of service in any of His Majesty's Armed Forces, be granted a permanent pension of Sixty Dollars (\$60.00) per month equal to the amount paid to a Widow.
9. Be it also resolved that we appeal to the Dominion Government for the necessity of making prompt provision for the non-pensioned widows of the Imperial Veterans by the extension of the War Veterans' Allowance Act under the same conditions as the Canadian non-pensioned widow, provided such widows have been domiciled in the Dominion for a reasonable time.
10. Whereas the non-pensioned widows request that all Veterans' graves be marked by an official marker.

APPENDIX "B"

OFFICE OF THE PREMIER
ALBERTA

EDMONTON, October 13, 1945.

DEAR MR. MACKENZIE:

Re: Canadian Corps of Firefighters Veterans

Representations have been made to my Government on behalf of Canadian Firefighters who, at the request of the Dominion Government, volunteered for service overseas in the dark days of the recent war to assist the British Firefighters in fire ravaged Britain. It is pointed out that these men were to all intents and purposes placed in the same category as the personnel of the Armed Forces. They received the same rates of pay, rations etc. and drew their clothing from Army Supply Units in the same manner as the troops. They underwent the same hazards, hardships, and in the majority of cases to a greater extent than the majority of the personnel serving in Great Britain.

While recognizing that certain benefits have been accorded to this gallant band of men, the Alberta Government maintains that they are justly entitled to the fullest benefits of all legislation passed for members of the Armed Forces and strongly urges that enabling legislation be enacted at the present Session of Parliament to make this effective and also that the same be made retroactive to ensure that no undue hardships are placed on those already discharged.

My Government feels most definitely that these men who made such great sacrifices in common with their comrades-in-arms and acquitted themselves so nobly are justly entitled to the best this country can give them and to equal consideration with the members of the fighting forces.

The brief submitted by the Firefighters Veterans to the Minister of Veterans Affairs has been studied carefully and in the opinion of my Government is most comprehensive and warrants the fullest approval of the members of the Federal Government. May I therefore urge that this appeal be given your immediate approval.

Yours very truly,

(Sgd.) ERNEST C. MANNING,
Premier.

Honorable IAN MACKENZIE,
Minister of Veterans Affairs,
Ottawa, Canada.

APPENDIX C

OTTAWA, October 16th, 1945.

Mr. WALTER TUCKER, M.P.,
Chairman,
Special Committee on Veterans Affairs,
House of Commons,
Ottawa, Canada.

DEAR MR. TUCKER:—

You will recall at the first meeting held for the purpose of organization, I asked for an interpretation of the words, "and of other persons who have otherwise engaged in pursuits closely relates to the war" as used in the resolution referring this matter to the Special Committee.

I mentioned at the time that I had particularly in mind members of the Merchant Navy. The Minister of Veterans Affairs replied stating that the fullest possible scope would be given to consideration of cases of this nature and all similar cases. I made this inquiry at the time because of the large number of letters I had received from members of crews of Government steamers, as well as crew members of the "*Cyrus Field*" and "*Lord Kelvin*", the latter being two cable ships which make their headquarters at Halifax, and also members of the Halifax pilotage.

I am writing to request that an opportunity be given for full discussion of this matter. I need not point out that since war was declared, these men have carried on their duties, sometimes with convoys as special escorts from Halifax, have placed buoys in mine infested waters, came in direct contact with enemy U-Boats and carried out their work at times in complete blackness, due to regulations.

In the case of cable ships, the work of repairing communications was carried on in places which brought them in close touch with enemy submarines. The Halifax pilots were also engaged in hazardous work during the war years and on one occasion, due to regulations faced during the war, a disaster resulted in the loss of the pilot boat "*Hepridean*" when seven of the twenty pilots were drowned.

It is cases such as these that I wish to bring to the attention of the members of the Committee so that consideration can be given to the granting to them of the Merchant Seamen's Special Bonus as provided in Order in Council P.C. 3227.

Yours truly,

GORDON B. ISNOR, M.P.,
for Halifax, N.S.

APPENDIX D

THE GRATUITIES ACT

This Act provides for the payment of a gratuity—in cash—and a Re-establishment Credit in supplies of a permanent nature.

The only criticism I have is that while a man "Canada Service" loses \$7.50 a month if he takes advantage of a "Benefit" a man with overseas service loses \$15.00 a month.

I do not think the government or parliament intended this to obtain and it is a point that should be looked after.

However, there are a number of suggestions resulting from my experience which I would like to advance.

As you know I am going into this work pretty deeply and find some little difficulty now and again.

Here are concrete cases:

A man gets a job in another town but is sent to my district. He arrives more or less "broke" with his wife and family. He secures a house but has no furniture and incidently no money to make the one-third down payment. I arranged with a bank to advance him sufficient money to get the furniture and had him apply for repayment out of his "Credit". The D.V.A. will not accept the application—I have no complaint about this, we knew what we were doing but I feel that there should be a give and take on this matter.

Another case:—A man is starting business with good prospects of success but his capital is too limited, if he could cash in on his grants he could start in a fair way clear of debt. I have arranged credit for him and he has started operations and is booked up with orders for this year at least.

Since I last saw you I have opened up prospects for two other men who will shortly be doing business and I start on three more this week.

From these cases you will see what I am doing and some of the difficulties I am up against.

VETERANS LAND ACT

I think this is probably the worst piece of legislation in the whole scheme of Rehabilitation.

The system of collection is vicious and the Minister should put an end to it at once. Here is the system.

As you know there are several "Districts or Regions" in B.C. Each of these publishes among the Supervisors a report at stated intervals of the collection record of each Supervisor thus creating a rivalry among them to be at the head of the list, this is carried further and further until each district strives to head the list for the Dominion.

I had a report some years ago which shows how vicious this is. Two men had poor quality and yield crops and were not in a position to pay anything but the then Supervisor urged them to give him \$50.00 each and said he would get them seed next year. One fell for this line, the other laughed and kept his money to feed his wife and self. Result: Next Spring both applied for seed; one got it, the other was told that he should have kept the \$50.00 and then he could have bought his own seed.

The present Act naturally divides itself into four parts.

First, the placing of men on farms.

It is required that a man pay 10% deposit after he has travelled the long and arduous road to the point he is permitted to apply for land. He is allowed to buy a farm costing \$4,800.00 for which he is to pay \$480, and \$3,200.00 with interest at 3½% per annum.

The terms are \$194.14 a year which amounts to \$4,853.50 plus \$480.00 deposit a total of \$5,333.50, thus he actually pays \$533.30 more than the cost to the Director. If he should in any year be unable to meet his payment he is charged compound interest until he catches up on his arrears.

It is interesting to note that the discount (?) allowed roughly equals the loss per unit under the SS Act.

I notice in the publicity on this Act that the Director tries to get as much as possible from disability men on Small Holding deals irrespective of the regular rate of repayment. I would suggest that all Agreements of Sale be set forth in the Act to prevent ambitious servants trying to arrange more onerous terms.

The 'gift' of \$1,200.00 for stock and equipment is rather funny in that this sum will hardly give sufficient implements let alone stock to operate a farm, particularly on the prairies.

It should be borne in mind that a settler under the Act has no credit and is handicapped from starting till 25 years later he has—maybe—obtained title to the land.

The system of amortization while good where understood is criminal when applied to the average settler. He gets the impression that the payment is interest and feels that he is not acquiring any equity in his farm with the result that when he gets a really good crop he sells the grain and leaves the land etc. to take care of itself. In my opinion it would tend to greater satisfaction if instead of giving the present discount a man buying a farm at \$4,800.00 was charged as follows: Land \$4,800.00 less \$480.00, \$4,320.00.

Price of land \$4,320.00

Annual payments \$172.80 with interest at 3½% on overdue payments but provision should be made for them to come due at a suitable time not an arbitrary one suiting the convenience of the office staffs.

The second division deals with mortgages.

A concrete case shows what this amounts to.

A soldier bought from the B.C. Government a parcel of land. During his service he paid one half of the purchase price. On discharge he asked for a mortgage and if he took it finds himself in this position; he gets 60% of the value but 50% is needed to clear the title leaving him 10% as capital to carry on farming operations. He loses his Credit of \$500.00 and is now ready to go on relief. It so happened he called on me and as a result I was able to get him an advance on the "Waiting returns" benefit of \$70.00 pending the report of the Investigator which recommended the grant. In the meantime the Supervisor, who is one of the best with whom in my thirty years dealing with veterans affairs I dealt, has got authority to value the land with a view to setting him up as a purchaser under the Act. As owner he has to repay the loan in full and gets no assistance but if he is dealt with as a purchaser he not only gets his equity repaid less the deposit but he also gets his buildings repaired, a discount of one-third the purchase of \$1,200.00 for stock and equipment.

INDUSTRIAL SMALL HOLDINGS

My first observation on this section is one of strong objection to the policy of setting up colonies of veterans and thus segregating them from their fellows.

The fatal results of this are to be seen on the prairies and even in some parts of B.C. where men and sets from foreign countries are living with the result no

English-speaking man can even get a toehold and where every language other than English is heard.

A 'Small Holding' from the stand taken by the Director is to induce a man to become a farmer. Difficulties are placed in the way of men wishing to take advantage of this section as for instance the case of a man who wanted to buy 12 acres with a good house for \$1,200.00. This man was not even allowed to go before the qualification committee but advised to leave a job paying him \$90.00 a month and apply for a WVA. In another case I was told that an application from a veteran who is or will be pensioned and has a good job would not be considered because he wanted to build in Courtenay.

The same arguments on repayments are good in this section as in the others.

A strong objection is taken by veterans to the withholding of title for ten years. If a man is sent to another place in the course of his employment he needs his equity in his holding to buy suitable property where he is sent, but this restriction and general policy of the VLA prevents him so doing.

FISHING

This section is a real laugh. Imagine a man getting anything but a rowboat and fishing line for \$1,200.

It is unreal and impracticable and should be repealed as it is a reflection on the bona fides of the government.

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SESSION 1945
HOUSE OF COMMONS

(SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

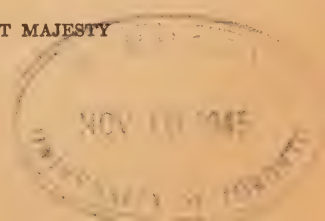
No. 12

Friday, November 2, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review,
The War Service Grants Act, 1944;
Captain Thomas Gillis;
Squadron Leader J. E. Wilson;
Brigadier J. A. de Lalanne, C.B.E., M.C., Vice-Adjutant General (1);
Colonel S. Wellwood;
Mr. R. O. G. Bennett, Chairman, Dependents' Allowance Board.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF PROCEEDINGS

FRIDAY, November 2, 1945.

The Special Committee on Veterans Affairs met at 10:30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Ashby, Baker, Belzile, Blair, Blanchette, Brooks, Cruickshank, Dion (*Lake St. John-Roberval*), Dorion, Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Lennard, Marshall, MacNaught, McKay, Merritt, Mutch, Pearkes, Probe, Quelch, Sinclair (*Vancouver North*), Tucker, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Brigadier C. B. Topp, C.B.E., D.S.O., M.C., Chairman, Board of Review, The War Service Grants Act, 1944; Captain Thomas Gillis; Squadron Leader J. E. Wilson; Brigadier J. A. de Lalanne, C.B.E., M.C., Vice-Adjutant General (1); Colonel S. Wellwood; Mr. R. O. G. Bennett, Chairman, Dependents' Allowance Board.

The Chairman filed a letter dated October 31, 1945, from the General Secretary of the Canadian Legion, B.E.S.L., which is printed as appendix "A" to this day's Minutes of Evidence.

Mr. Gunn filed the following draft bills which were distributed to the members:—

Draft of a Proposed Bill to amend the Pensions Act.

Draft of a Proposed Bill entitled An Act to provide Rehabilitation Allowances for Veterans.

In reply to a question put to him at yesterday's meeting by Mr. Cruickshank, Brigadier Topp made a statement concerning the composition of the Board of Review and the war service of members thereof.

Consideration of the proposed draft Bill to amend The War Service Grants Act, 1944, was resumed.

It was agreed that subclause (3) of clause 2 of the draft Bill be amended to read as follows:—

- (3) Where a member is posted from an establishment, unit or ship for discharge purposes and his pay and allowances are reduced as a result of such posting the pay and allowances received by him immediately prior to such posting shall be used for the purpose of computing the amount paid to him under subsection (2) of this section.

Subclause (3) of clause 2, as amended, was adopted.

Captain Gillis, Squadron Leader Wilson, Brigadier de Lalanne, Colonel Wellwood and Mr. Bennett were called, questioned and retired.

On motion of Mr. Lennard it was resolved that the question of the payment of gratuity credit and other benefits to dependents of members of the forces who have died on service be considered, and the decision as to when it be brought before the Committee be referred to the Steering Committee.

Clause 3 was adopted without amendment.

Clause 4 was amended by substituting the word *may* for the word *shall* in line 4 thereof, and the clause as amended was adopted.

It was agreed that clause 6 of the draft Bill be deleted and the following substituted therefor:—

6. Section Seven of the said Act is repealed and the following substituted therefor:—

6. (1) Payment of war service gratuity to a member of the forces shall be made in monthly instalments payable in arrears not exceeding the amount of pay and allowances, including dependents' allowance, paid to or in respect of such member for the thirty days immediately preceding his discharge, unless as a result of a posting from an establishment, unit or ship for discharge purposes, his pay and allowances are reduced, in which case no instalment shall exceed the pay and allowances including dependents' allowance in issue to such member for the thirty days immediately preceding such posting and including also, in the case of a member of the Naval forces, lodging and provision allowance, and in the case of a member of the military or air force, subsistence allowance at the standard rates payable in Canada, notwithstanding that at the date of discharge he was not receiving such allowances.

(2) For the purposes of this section the pay and allowances, including dependents' allowance, in issue for the thirty days immediately preceding discharge or for the thirty days immediately preceding the posting of the member from an establishment, unit, or ship for discharge purposes, as the case may be, shall be deemed to be the equivalent of the daily rate in issue for the last day of either of such thirty day periods multiplied by thirty.

Clause 6, as amended, was adopted.

Clause 7 was amended by adding the words *other than such similar benefits as may be available to a former member under the provisions of the Department of Veterans Affairs Act* after the figures 1942 in line 5 thereof; and by adding the words *except section 13* thereof after the word *parliament* in line 7.

Clause 7, as amended, was adopted.

Clause 8 was amended by adding thereto the following:—

Provided, however, that except as may be provided by Order in Council this section shall not apply in the case of a member who desires to use re-establishment credit for the payment of premiums under The Veterans Insurance Act or The Returned Soldiers' Insurance Act, or for the payment of the purchase price of an annuity purchased by him under the Government Annuities Act.

Clause 8, as amended, was adopted.

Subclause (e) of clause 9 was amended by deleting the words *his profession*

or.

Subclause (f) of clause 9 was amended by deleting the words *trade, profession or*.

Subclause (h) of clause 9 was amended by adding thereto the following as paragraph (vi):—

(vi) Payment of the purchase price of an annuity purchased by him under the Government Annuities Act;

Subclause (i) of clause 9 was amended by inserting the words *payment of fees and* before the words *the purchase* in line 1 thereof.

At 12:45 o'clock p.m., the Committee adjourned until Monday, November 5, at 11:00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 2, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item we shall deal with this morning is the answer to a question which was raised with regard to the personnel of the present board of review. Brigadier Topp will give that to the committee so that it will go into the record.

Brigadier C. B. TOPP: May I say that all the members of the board of review appointed by the Minister of National Defence under the present Act served overseas during the late war, and all were brought to Ottawa a few months ago for the specific purpose of undertaking their present duties.

The naval member is Captain S. W. Davis of Rossland, British Columbia. Captain Davis, on service since 2nd September, 1939, commanded a destroyer operating in European waters and the North Atlantic for nearly two years during the height of the submarine campaign, and at the time of his appointment to the board was in command of a large naval establishment in Newfoundland. He served afloat as a young officer throughout the last war.

The senior air member of the board is Wing Commander B. D. Richer, D.F.C., of Montreal, a bomber pilot with distinguished operational service in North Africa with the Alouette squadron and in Europe where he commanded a squadron in operations over the continent.

The third member, Wing Commander A. E. Richard, of Dorchester, New Brunswick, a barrister of long experience, has served in the R.C.A.F. as a legal officer for five years in Canada, in England and on the continent. This officer, in addition to being a member, acts as legal adviser to the board.

The CHAIRMAN: Have you given your own record at any time, Brigadier Topp?

Mr. HARRIS: Do not be modest.

Brigadier TOPP: In my own case, gentlemen, I have been on service since the 1st of September, 1939. I commanded the Fourth Canadian Infantry Brigade of the Second Canadian Division, which I took overseas in August, 1940. I commanded that brigade for some two years, after which I was returned to this country on medical grounds and assumed command of another infantry brigade on the east coast. During the few months immediately preceding my appointment to my present post, I served as chairman of an officers' selection and classification board having to do with officers in the three middle western districts of Canada; that is to say, Manitoba, Saskatchewan and Alberta. My home is in Ottawa.

The CHAIRMAN: And what about your services in the last war? You served in the last war?

Brigadier TOPP: I served throughout the last war, gentlemen, starting off as a very junior officer.

The CHAIRMAN: Are there any questions on the statement made by Brigadier Topp?

Mr. SINCLAIR: I would suggest one thing in view of the fact that these records are going across the country. It is of great interest to Legion members

everywhere who have not the pleasure of seeing Brigadier Topp face to face, that the Brigadier's decorations be mentioned by the chairman, at least, if not by Brigadier Topp.

The CHAIRMAN: I should like to do that. Would you just enumerate the decorations that you have, Brigadier Topp? We know them, but this record is going out across the country. There are about 3,000 copies now going out across the country, and I believe they are read.

Mr. PROBE: I understood that there was certain other rank representation on this board as well. A corporal was mentioned here a few days ago. Where did he fit in?

The CHAIRMAN: It was hoped there would be such a representative.

Mr. PROBE: Let us trust that it does not remain a hope.

The CHAIRMAN: Brigadier Topp, you have the Distinguished Service Order?

Brigadier TOPP: Yes, sir.

The CHAIRMAN: And the Military Cross and Bar, and Mentioned in Despatches?

Brigadier TOPP: If I may say so quite impersonally, gentlemen, my record is simply this. I started off as a subaltern officer in the last war at the age of 20. I served throughout the last war, ending up with the rank of major and was in command of an infantry battalion at that time. I was three times wounded. I was three times mentioned in despatches. I was awarded the Distinguished Service Order, the Military Cross and a Bar to the Military Cross. During the present war I became a Commander of the Order of the British Empire.

The CHAIRMAN: Gentlemen, you have already had distributed to you, so that you will have a chance to study them, the proposed amendments that will be laid before you this morning. The first item which we will consider is section 2 enacting section 3, subsection (3), page 4 of the bill. Apparently there was some suggestion yesterday that this did not meet the wishes of the services, but I understand that this was due to a misunderstanding because the actual wording of the amendment was not actually heard by the members of the services who suggested it did not meet their requirements. So I understand the actual amendment as read by the solicitor to the department was satisfactory. I believe that is correct.

Air Commodore MURRAY: Yes.

The CHAIRMAN: So may we carry that amendment?

Some Hon. MEMBERS: Carried.

Subsection as amended agreed to.

The CHAIRMAN: The next is section 3 enacting section 4. It reads as follows:—

3. Section four of the said Act is repealed and the following substituted therefor:

"4. (1) If a member of the forces dies on service or after discharge but before he has been paid gratuity in full, payment of the gratuity or the unpaid balance thereof shall be made:

- (a) to a person who was in receipt of or who, in the opinion of the Dependents' Allowance Board, was eligible for dependents' allowance on behalf of the deceased member immediately prior to the member's death or discharge;
- (b) to a person, who, in the opinion of the Dependents' Allowance Board would have been eligible for dependents' allowance on behalf of the deceased member immediately prior to the member's death or discharge had such person not been a member of the forces; or

(c) to a person who, in the opinion of the Minister of such authority as he may designate, was dependent in whole or in part upon a deceased member and to whom pay was assigned by such member immediately prior to the member's death or discharge.

(2) If more than one person is entitled to payment of the gratuity under this section the Minister may direct that the gratuity be paid to any one of such persons or divided among them in such manner as he may determine.

(3) The Minister may authorize any person to receive payment of the gratuity on behalf of the person entitled thereto under subsection one or subsection two of this section and to utilize the gratuity for the benefit of the person entitled thereto in such manner as the authorized person in his discretion may determine.

(4) Where no person qualifies to receive payment of the gratuity or any unpaid balance thereof under this section in respect of a deceased member, the gratuity or the unpaid balance thereof shall form part of and be comprised in the deceased member's "service estate" as that expression is defined in subsection two of section seven of the Department of National Defence Act as enacted by chapter nine of the statutes of 1940.

(5) Where a person who was qualified to receive payment of a gratuity or any part thereof under this section dies before payment thereof or before payment thereof in full the gratuity or that part thereof payable to him or any unpaid balance thereof shall not be paid to the estate of such person but shall be paid to such other person as may be entitled thereto in accordance with the provisions of this Act and if no other person is so entitled, shall form part of and be comprised in the deceased member's service estate in accordance with the provisions of subsection four of this section."

May we carry that section?

Some Hon. MEMBERS: Carried.

Mr. QUELCH: The whole of section 4?

The CHAIRMAN: Yes.

Mr. QUELCH: I should like some clarification on that question of whether or not a soldier who is wounded, returned to Canada, placed in hospital and then discharged, will receive the gratuity whilst in hospital although he has been discharged. Mr. Woods on page 99 of the report of this committee had this to say:—

I have under consideration at the present time an amendment to our recent regulations that would enable us to carry that man on in hospital up to the dead-line of March 31, 1946, for gratuity.

I think we should have a little clarification on that point.

Mr. WOODS: Mr. Chairman, all I can do is repeat what I stated on that occasion, that we are drafting treatment regulations that will enable us to pay him the equivalent of his gratuity. Once a man has been discharged from the forces it is no longer a question of service under this Act. This Act deals with the payment of gratuities to members of the forces, and no amendment to this bill is necessary in order to achieve what Mr. Quelch has in mind.

What we propose to do is to change our treatment regulations that are not in the form of a statute, enabling us to pay the equivalent of the gratuity for the period after which the man is discharged from the service in our hospital, for a period up until March 31, 1946, on the assumption that if he had been continued in the service that is what he would have drawn and also on the

understanding that he is not yet returned to civil life; so far as he and his relatives are concerned, he is still on service.

Mr. SINCLAIR: I should like to ask Mr. Woods a question. In subsection 4 on page 5, payment of gratuity to an estate. I think every member here perhaps has had complaints from his constituents about the great delay in the payment of these gratuities through the estate to the next of kin. Could you just tell us how long that is?

Mr. WOODS: I should like to make it clear to the committee that my department does not administer this gratuity. It is true that the minister under the Act is the Minister of Veterans' Affairs; but for payment of the gratuity the defence ministers act in his behalf. There is a representative here of the estates division, I believe, of the army who can answer Mr. Sinclair.

The CHAIRMAN: Will you just give your name and rank for the record.

Captain Thomas GILLIS: Yes. I am Captain Thomas Gillis.

The CHAIRMAN: And your position?

Captain GILLIS: I am in charge of the war service gratuity section of the estates branch.

The CHAIRMAN: Will you just answer the question asked by Mr. Sinclair?

Captain GILLIS: It takes, in the ordinary case, from three to four weeks for us to distribute the gratuity to the next of kin after we have received it from the Paymaster General's Branch. That means that it takes three or four weeks before we send a cheque requisition to treasury. Then it takes another seven to ten days before treasury send the cheque out. That is in the majority of cases. There are difficult cases where it takes a good deal longer, and a few cases where it can be done in a much shorter time.

Mr. SINCLAIR: I am not speaking now of the payment of gratuities going to dependents, but rather to people who do not qualify as dependents.

Captain GILLIS: I realize that.

Mr. SINCLAIR: Just to give an example, I have a constituent who was killed in Sicily in the Italian landing and his people have not yet received the gratuity.

Captain GILLIS: Well, all the gratuities have to be applied for, and no action is taken to pay a gratuity until application is received.

Mr. SINCLAIR: Oh well, the application has been made in this case. I myself have applied for these people, last June, for example; and first of all before this clause was brought in a year ago about estates. They had to establish some degree of dependency. We tried to do that and failed because he was only a young lad 19 years old. Then when this came in I again renewed application and now it is over two years since the Sicilian landing and the estate has not been paid. I know other members have similar complaints. I was wondering what the backlog of these early payments of gratuities was to the legal beneficiaries.

Captain GILLIS: Possibly I can give you some figures. We started in operation of gratuities in June last. Up to the end of July we had received a total of 354 for distribution. Of those 354, all except 29 have now been paid in whole or in part. So as I say, once we receive them from the Paymaster General's Branch it takes us, in the ordinary course, about three or four weeks.

Mr. Mutch: That is where the delay is.

Captain GILLIS: I beg your pardon?

Mr. Mutch: The delay in many cases has been at the Paymaster General's Branch.

Captain GILLIS: I could not say as to that.

Mr. MUTCH: Between them and records. I think it answers your problem, Mr. Sinclair. In my own experience, I have had no complaints after I could get it through the board. But I took my own 56 days to go across the street for papers.

Mr. SINCLAIR: Thank you very much.

The CHAIRMAN: Are there any other questions?

Mr. GILLIS: What about following that up with the Paymaster General's office? That is where the delay is.

Mr. MUTCH: No. It might be records.

Mr. GILLIS: There is something that is causing delay and we should find out what it is.

The CHAIRMAN: Have we representatives of the paymaster's branch here who could give evidence on that?

Brigadier DE LALANNE: It is not an army case. It is an air force case.

The CHAIRMAN: Is the air force represented?

Captain GILLIS: Perhaps I should have said that we in our section handle the three services, army, navy and air force; and air force cases would of course come from the equivalent.

The CHAIRMAN: Come from what?

Captain GILLIS: From the treasury concerned, either navy, army or air, to us.

The CHAIRMAN: Has the air force any one here to speak on that?

Air Commodore MURRAY: I think Squadron Leader Wilson could answer that.

The CHAIRMAN: Would you ask him to come forward?

Air Commodore MURRAY: Yes.

The CHAIRMAN: Will you give your name and rank, please?

Squadron Leader J. E. WILSON: I am Squadron Leader J. E. Wilson, officer in charge of the war gratuities section.

The CHAIRMAN: The question the members want to have answered is why there is such delay between the time of death in some cases and the actual payment out of the gratuity to the estate of the dependent.

Squadron Leader WILSON: In every case, in the case of a deceased member, there must be an application for the gratuity by some one who presumes that he is entitled to the gratuity under the Act. In every case we have to determine whether or not in the first place that person is dependent within the terms of the War Service Grants Act as it now stands. If there is no one dependent, that is, in receipt of dependents' allowance, or no one in receipt of assigned pay or partially dependent on the assigned pay there may be someone who is the beneficiary under his will in which case the gratuity is paid to the service estate. It takes some time. I cannot say definitely how long it will take in every case to determine dependency but that must be done first. We have to correspond with the people first. If they give us the information in the first instance it is very easy to pass it directly to them if they are in receipt of dependents' allowance. If they say they are a beneficiary under the man's will we pass it to the estates branch. I cannot speak for the estates branch. I believe in the case where the estate is closed there is very little time lost in passing it directly to the beneficiaries under the will. I cannot say from then on when it passes from our hands to the estates branch how long it takes to be distributed.

Mr. SINCLAIR: I do not want to give an example but to point this up in the case I am thinking of a year ago I tried to establish dependency and there actually was dependency. The boy was at children's school when he joined up and he had not been giving any pay to the parents. His parents are the beneficiaries of his estate. It is a full year. I was surprised when I got a letter yesterday morning that they had not yet received the estate, and what about it? My friend had an exactly similar case in the same mail. There must be some delay between establishing dependency and when the service will is probated. Is there any legal delay in the case of a service estate?

Squadron Leader WILSON: I think that would have to be answered by the estates branch. We have no jurisdiction over that.

Captain GILLIS: In the case where there is a will there is no necessity for us to probate it and we advise the next-of-kin we can deal with it. However, we cannot handle real estate and if there is real estate involved then it is necessary for the next-of-kin to take out probate of that will. However, in the vast majority of cases there is no real estate involved and there is no necessity for probate.

The CHAIRMAN: You would not have to hold up your distribution of the gratuity even if there was real estate until they probated the will?

Captain GILLIS: No, we could pay it to the executor named in the will who would obtain probate, although it is the custom for us in the service estate, apart from the gratuity, to wait for letters probate if they are being taken out.

Mr. MUTCH: Why?

Captain GILLIS: But that is apart from the gratuity.

Mr. MUTCH: You say it is customary. Why do you wait? You indicated first that it was not necessary and then you said it was customary to wait, and my question is why?

Captain GILLIS: For our protection.

Mr. GUNN: May I ask one question on that? I suggest to you, Captain Gillis, that it would be taking a risk in a great many cases to make payment to an estate without the production of the probate or letters of administration as the case may be?

Captain GILLIS: That is what I said; for our protection we wait until probate is taken out.

Mr. GUNN: Do you make payments at all to estates without the production of the usual certificate from the court of probate?

Captain GILLIS: Where there is no probate, yes. We have our own wills on file. Where there is only a service will we retain the original of it and pay to the beneficiary named therein.

Mr. CRUICKSHANK: What if there is no will?

Captain GILLIS: We pay according to the intestacy law of the province concerned.

Mr. SINCLAIR: But without probate?

Captain GILLIS: No letters of administration; we do not require letters of administration.

The CHAIRMAN: Mr. Bennett, you were going to say something.

Mr. BENNETT: On the question of dependency—

The CHAIRMAN: Perhaps you had better come forward so that you can be heard. What is your full name and your position?

Mr. BENNETT: Richard Bennett, Chairman of the Dependent's Allowance Board. The question of dependency is referred to the Dependent's Allowance Board. I thought our procedure in that respect should be plain. If there is dependents' allowance and pay then it is paid to the recipient of the dependents'

allowance. If there is no dependents' allowance but there is assigned pay in effect then we send out a questionnaire to the recipients of the assigned pay and ask them if they are dependent on their sons—generally it is a mother—for their maintenance, and if so the gratuity is payable to her. There used to be considerable difficulty in that. Some of the members have mentioned these cases. That was because prior to April, 1945, the war service gratuity was not payable to the service estate. Unless they could prove dependency on their son they did not receive it. Now that it is payable to the estate if there is nobody can establish a right to it the matter is simplified. Where the mother may have her husband living and well able to provide for her she may still be the next-of-kin and we send out a questionnaire as to whether she is dependent and also a questionnaire as to whether she would like this paid into the service estate if she is the beneficiary and the service estate has been closed. That simplifies the matter as far as she is concerned. If she is the beneficiary of the estate she simply signs a form and sends it right back to the war service gratuities branch and they send it to the estates branch.

Mr. CRUICKSHANK: What is the reason for the delay? I have a case. Which branch is responsible for the delay?

Mr. BENNETT: I do not think there is much delay now.

Mr. CRUICKSHANK: In the case I had with you yesterday I have been working on it over a year. If that is not a delay I do not know what is.

Mr. BENNETT: I have that case with me, as a matter of fact. It is an example of what I was trying to explain just now. That was before the war service gratuity was made payable to the service estate if there was no claimant. It was April, 1945, when that was passed.

Mr. CRUICKSHANK: That is a long time ago.

Mr. BENNETT: In that particular case that lady had not received the usual form which we send out now asking if she wished it to go to the service estate. She had been forwarded a form to fill in as to her dependency on her son. She was not dependent on her son as it happened although she was the beneficiary of the estate.

Mr. CRUICKSHANK: As I understand it it goes into the estate. I know that particular case very well. The reason I know it very well is that it happened to be very strong political opponents of mine so I made it my business to see that every form was filled out. We have been filling out forms for six months. April is a long time ago. These forms were certainly filled out. I took them to my own lawyer to have them filled out.

Mr. BENNETT: We asked her if she would like to have it placed to the estate and she replied eventually she would. The thing went forward that way in September.

Mr. CRUICKSHANK: I am not blaming your department, but there is too long a delay somewhere.

Mr. BENNETT: I do not think you will find there is any delay now. We make a return every two weeks to the paymaster general's branch on the progress of all these cases. I saw the return which went out yesterday and there were just four or five cases on it that had not been settled.

Mr. BROOKS: Have you had any cases where there have been several people or more claiming the gratuity of a deceased soldier?

Mr. BENNETT: Yes, we do have those cases. In that case it is provided for in the Act.

Mr. BROOKS: That is why you have to be careful?

Mr. BENNETT: But you do not have a great many of them.

Mr. SINCLAIR: What about the case of the soldier who has filed a will making his mother next-of-kin, then gets married overseas and, as so many do, forgets to change the will. What do you do about the gratuity in that case?

Mr. BENNETT: The gratuity would go to the person in receipt of the dependents' allowance. That is his wife.

The CHAIRMAN: The marriage cancels the will.

Mr. BENNETT: It would never go to the service estate.

Mr. MUTCH: There is one question I should like to ask you. There were a large number of cases where the gratuity had been properly refused prior to April of 1945. In these instances it was generally mothers and since that time they have been notified they would have to make application for the gratuity. That application has been made. Up to that point everything is clear but then follows something which I wish you would explain to my satisfaction, and that is why under those circumstances you send out investigators to bedevil these people after they have made an application. I referred one to you and I am completely unable to understand the reply. I believe it is being redrafted, but I thought this might be a good place to ask about that. What earthly reason is there for sending an investigator to see the next-of-kin who applies in the case of a soldier deceased prior to the order in council?

Mr. BENNETT: I remember your letter in that connection. That is the only case I have ever had of anyone asking us that question because we do not investigate.

Mr. MUTCH: But I have had two instances of it.

Mr. BENNETT: No, we send out a questionnaire. If the mother has been in receipt of assigned pay we send her a questionnaire and she tells her story which is easily checked. We take her word for it and decide dependency on that basis.

Mr. MUTCH: What do you keep investigators for now?

Mr. BENNETT: We do not. I think the investigators you refer to must be investigators for the Department of Pensions. She must have applied for a pension on behalf of her son who was killed.

Mr. MUTCH: I hope you are right. I am going to follow it through because it does not make sense to me. Whoever he works for I would like to track him down.

Mr. BENNETT: We use the same investigators that the Department of Veterans Affairs have.

Mr. ISNOR: I want to ask the witness a question arising out of his statement in reference to rejection of an application by a mother. Perhaps I could illustrate it by giving you the case. The son was lost in action on the H.M.S. Fraser. He had assigned a certain amount to his mother. The usual questionnaire was filled in and forwarded to your office. Notwithstanding what you stated I am under the impression that an investigator was sent to her home and because the father of the boy was on pension she did not receive the benefits. My question is in the event of the father dying at some future time would the mother then be entitled to reapply for the benefits?

Mr. BENNETT: Yes, she could always reapply. I think you are referring to a pension, not a gratuity.

Mr. ISNOR: For a pension, yes.

Mr. BENNETT: That is a little different from what we are discussing, but she could apply again if her circumstance changed. As a matter of fact, I think some of this confusion is in connection with the fact that under our regulations we continue payments to a dependent who is in receipt of assigned pay only. But before we do that very often we have to have an investigation to establish

their right to it. So, that is different from war service gratuity; that is the payment to her in lieu of pay which her son has been sending to her.

Mr. ISNOR: Yes, I have the answer. It may be applied.

Mr. BENNETT: I believe it has been replaced by pension if she is eligible for a pension; and that is another department, of course.

The CHAIRMAN: To make the record quite clear, Mr. Bennett, would you just say how long that dependents allowance could be paid or continued?

Mr. BENNETT: We continue it for six months, and if Pensions has not reached a decision by that time we continue it until they do. It may be a year, sir.

Mr. HARRIS: I would like to be clear on this point: where there is a dependency, do they wait for the production of the will and probate?

Mr. BENNETT: No. If the dependency is established under the Act it is not necessary. We have no say in gratuity where there is no dependent; it does not come to us, it is paid direct.

Mr. MACNAUGHT: Did I understand you to say that you pay that to the estate without requiring probate?

Mr. BENNETT: That is the purpose of that branch.

Mr. MACNAUGHT: Do you not think that might be a very dangerous practice? Suppose later on it is found that you have paid it to a person who is not entitled to it; suppose some other person comes along and takes probate, would you not get yourself into trouble?

Mr. BENNETT: We are in the position of executors.

Mr. MACNAUGHT: I cannot see that.

The CHAIRMAN: You do that under order in council?

Mr. BENNETT: That is right.

The CHAIRMAN: That fully protects your action?

Mr. BENNETT: That is right.

The CHAIRMAN: Is that order in council among those which was placed before the committee?

Mr. GUNN: I am afraid that I cannot tell you that offhand, without having the number or the date, or both, to identify it.

The CHAIRMAN: I refer to the order in council which sets up the estates branch.

Mr. GUNN: Do you know the number?

Mr. MACNAUGHT: We should have that.

The CHAIRMAN: That order was passed under the legislation with regard to war services.

Mr. MACNAUGHT: Do you think it would be sufficient with or without probate? I think not, Mr. Chairman.

The CHAIRMAN: That is a constitutional question, of course. There could be a lot of argument on both sides.

Mr. MACNAUGHT: But that question does arise, and I think the estates branch should protect itself in that respect.

Mr. BELZILE: I understand when you make application for probate the department has to deliver the will?

Mr. BENNETT: Oh yes.

Mr. BELZILE: Then no payment is made without the proper documentation, and in that way the department is protected.

The CHAIRMAN: They are fairly well protected in any action they take.

Mr. MACNAUGHT: But even if they have the original, it has to be submitted for probate.

The CHAIRMAN: The suggestion is that if by the laws of the province they have not acted properly, then they might have some recourse against the people to whom the money has been paid.

Mr. MACNAUGHT: The will may not be capable of probate. I know service wills which have not been probated.

Mr. SINCLAIR: There are too many lawyers.

The CHAIRMAN: I understand the reason it was done was to avoid expense in regard to small service estates. To save them the expense of having the will probated, this was set up. It is well recognized that there may be some claims against the dominion for doing that, but I think they figured they could undertake the risk of these claims for the sake of protecting and helping a vast number of people who would be helped by the setting up of this estates branch. I think that is correct.

Mr. PROBE: What is the position of a deserted wife who has been in receipt of some assignment of pay from a soldier who has become deceased but in a case where she has not been named as beneficiary in the service will, or perhaps there has been no service will made out?

Mr. BENNETT: If she made an application and that was referred to us, we would endeavour to establish the dependency. Unless she had taken an action against her husband and had a court order for support, we would have a very difficult time in establishing dependency.

Mr. PROBE: Supposing she had an agreement with her husband that would be equivalent to a court order? If she had an agreement she would probably have been in receipt of dependents' allowance.

Mr. GUNN: The point of your question is whether this order in council gives jurisdiction to the estates branch of National Defence being in either of our two books. I am sorry to say that it is not. That order of course emanated from the Department of National Defence and perhaps it should have been included, but it is certainly not here.

The CHAIRMAN: Mr. Gunn, there have been one or two cases where it would make the record complete if some time before we finish we might have a supplement prepared which could include these orders in council which have apparently been omitted.

Mr. GUNN: I'll make a note of that one, Mr. Chairman.

The CHAIRMAN: Yes. Are there any further questions? Shall we carry this section?

Mr. GILLIS: Mr. Chairman, just a moment. My experience with this particular question has been a little different to the others. While I have had quite a number of them I have not had any difficulty with the air force or the navy. I want to say that I have never had a case with them, although there is a lot of naval personnel where I come from. I have had a little difficulty between the paymaster general's branch and the estates branch in getting documents. The difficulty that I ran into was, well, the documents are still overseas; and they are overseas a year sometimes after the soldier has died. I think the shortcut to the whole thing is that if you can improve the administrative machinery between the old country and the paymaster general's branch in Canada, you would eliminate a lot of the delay. I wanted to ask one of the gentlemen over the way in this particular gratuities branch if the paymaster general's end of it is sufficiently staffed? Are there enough people there to handle the problem? On the other hand, why should there be such a delay in returning service documents from overseas to Ottawa? That is the difficulty that has been my main problem.

The CHAIRMAN: I wonder if that could be answered, because I have had the same experience; it seems to take such a long time for documents to come from England to Canada.

Brigadier DE LALANNE: I think I can answer that partially. While we had troops actually operating in Sicily and on the continent, my understanding of it was that the practice was to clear up the estate as quickly as possible but not to send all the files and documents back from the records office in London to Canada until six months after the date of decease.

Mr. Mutch: That would account for some of the delay.

Brigadier DE LALANNE: That is my understanding of it. Actually, when I was last overseas, some 90 per cent of the estates had been cleared up by the second echelon in the field and the necessary documents from the continent had been sent back to London. Colonel Wellwood tells me this morning that there are a few sets of documents yet away, that there are some cases which have not yet been cleared up and in which we have not yet received the documents. The number is not large. It is six months now since V-E day, so practically all the documents should be here, except in cases of exceptional circumstances.

The CHAIRMAN: What is the reason for that six months' delay?

Brigadier DE LALANNE: I would not like to say definitely; I should think that is one answer. It is a question of deciding. In cases of where there was clear cut evidence of death—the documents might be held in some cases; certainly in so far as missing personnel were concerned, they would be held for some time. Then there are still various charges coming against the estate from points like Italy, and there are adjustments of accounts which cannot be cleared up right away within the course of a few days, it would take some time to clear them. We ourselves do not know why the delay should be six months. I do not know whether Colonel Wellwood is in a position to speak for the paymaster general on that point or not. It would seem a long period. I understand it has been established for a very long time.

Mr. Mutch: That is probably the reason for it—that it has been established for a long time. More things continue for that reason than any other.

The CHAIRMAN: Is Colonel Wellwood here? I wanted to say that I had inquiries made here as to the tremendous delay in getting the documents from England. I wonder whether you can explain that, Colonel Wellwood?

Colonel WELLWOOD: One of the reasons—there are many of them—one of them from the angle of the pay office is that these people while in England and on the continent are training and being employed with units of other commonwealth nations and in some cases allied nations and while there naturally they receive pay from the pay service of the force in which they were employed, and it has been found that it takes up to six months to get the accounting through the other empire's countries' accounting setup and into our own scheme and back to the man's account. That is the reason so far as pay is concerned.

The CHAIRMAN: Will that delay still continue, that hold back for six months?

Colonel WELLWOOD: No, we have changed that, and if belated debits come in, we hope to recover them from the estates; if not they are just a debit in the books.

Mr. GILLIS: I would like to ask these gentlemen whether they consider the staffs they have at their disposal here in Ottawa adequate to handle this problem?

Brigadier DE LALANNE: I think you had better let me answer that. Finding clerical staff to-day is one of the most difficult problems I have. That is a fact which has been stressed by the minister in the House, that the number of clerks

required for demobilization is so far beyond anything we have ever required during the war to date. You would be amazed to see the figures. There is a terrific amount of documentation in connection with discharges, just the ordinary discharges without taking into account war service gratuities, the distribution of medals and things like that, which come along in due course. As you know, at one time we tried to do something in the way of freezing—take some clerks and freeze them—but that was found to be very unsatisfactory so we unfroze everybody in Canada and tried to let discharges go out in their regular turn but under that old familiar standby, "exigencies of the service". A great many who would like their discharges now are staying to assist with clerical work. But every day we have more and more demands, and I would not like to say that any department in Canada has the proper number of qualified clerks that they need to do this work. In many, many places they are working long hours and they are tiring out very quickly.

Mr. GILLIS: That is our problem and it is our job to see that it is straightened up.

The CHAIRMAN: Thank you.

Mr. QUELCH: I wonder if we are not back now to the question that we were discussing some days ago, the pay of a soldier who was killed in action. We have several cases: the case of a man who goes through the war and receives an honourable discharge. He gets a gratuity. Then there is the case of a man who gets a dishonourable discharge. His case may be referred to the board, and if the board so decides, a gratuity may be awarded to him. Then there is the case of a man who was wounded overseas. Normally he would be brought back to Canada and placed in hospital. Upon discharge his pay would be reduced in some cases to \$44 a month. I brought up a case in the House about a man from Edmonton who was discharged, and in his case he received only \$14 a month, despite the fact that he was trying to support a father and mother. Then an order in council was passed which gave the department the right to pay that man an amount practically the equivalent of his pay and allowances. Mr. Woods now says there is an amendment under consideration which would make it possible to increase that allowance, to make it practically equal to the gratuity, and that it would be carried up to March 31, 1946.

Then we have the case of a man who was killed, for example, in the first week of operations overseas. When the man is killed, his gratuity stops automatically. It does seem to me that, if we are going to award a gratuity to a man while he is in hospital, then surely the dependent of a man who has made the supreme sacrifice should be entitled to the payment to the end of the war. Such a man has made a greater contribution than anybody else. Surely he should be entitled to a gratuity payable to the end of the war. I know there are some who will say that his widow will get a pension. But a pension is only the equivalent, approximately, to his assigned pay. You cannot award a gratuity through a pension, because a pension is payable only for life. It does seem to me that the widow is entitled to the gratuity, at least to the end of the war. Otherwise you will be penalizing the man for having given his life to his country. I think some provision should be made in this second paragraph. When the Legion made its presentation before this committee on October 26, I raised that question. Mr. Walker's reply was: "Yes, you can interpret it that way." We feel that the rights of the man should be passed on to the widow. I think there is every justification for that attitude.

The CHAIRMAN: Does any one else wish to speak?

Mr. LENNARD: I would say it should be passed on to the estate. There are many cases where a mother would not be entitled to the pension because she might be in a position where she had been fairly well cared for. But that same mother might have, through the early years of that boy's life, scrimped and

saved and tried to educate that boy by depriving herself of many things. Now she is entitled to nothing under the Act we have today.

Mr. SINCLAIR: Yes, and going to the other extreme: there may be people in good circumstances now who may ordinarily have expected to get help from their son, and now the son is gone. They still could not qualify for a pension, perhaps.

Mr. WOODS: Some discussion has taken place in this committee as to whether the gratuity was intended for the individual's rehabilitation, or whether it was intended as the reward of a grateful country for his service. Whichever way you put it, whether it be a reward for his service, or whether it be to assist him in his rehabilitation, the fact remains that when this War Service Grants Act was drawn, it was considered that on the death of the individual his rehabilitation problem no longer existed. As for his dependents, they would be provided for under the Pensions Act. Whether the benefits under the Pensions Act are or are not adequate is for this committee to consider when they receive the bill amending the Pensions Act. But in so far as gratuity is concerned, I think that the view taken by those who drafted the War Service Grants Acts was that the gratuity should only be paid for the actual period of service. If the soldier loses his life in action, then his immediate personal rehabilitation problem is removed; and it then becomes a question of what the country is going to do for his dependents.

Mr. QUELCH: I do not think it is quite correct to say that these grants are merely for the rehabilitation of the veteran. I would say it was intended for the veteran and his wife, and I think we recognize that fact in that the rehabilitation grant is increased; that is, it is less if the man be single than if he be married. You cannot take care of it under the Pensions Act unless you say that, in the first year, the amount of the pension will be more, and later on it will become less. How could you possibly assess the amount to take care of a gratuity which is only payable to the end of the war? It does seem to me that this should be taken care of under this measure.

Mr. WOODS: I respectfully submit to you and to the committee that the gratuity for the single man and for the married man is alike. There is no difference whatsoever. No provision is made for dependents except under that section which deals with it,—section 7, pay and allowances. But in so far as the gratuity is concerned, it is \$7.50 for domestic service and \$15 a month for foreign service. It is the same for single and for married men.

Mr. SINCLAIR: When you say that it is a rehabilitation matter, the gratuity which is to be payable to the estate does not include the re-establishment credit. It only includes the gratuity part. Earlier in this committee one of the members asked the minister of Veterans Affairs whether this was a gratuity in gratitude or a gratuity in re-establishment, and the minister said it was both. The minister repeated the prime minister's words, that it was an expression of the gratitude of the nation, and that there was no better place to express that gratitude than to the dependents of the people.

Mr. WOODS: I am not saying whether it should or should not be paid to the dependents. I only say that it is the same amount to a single man as to a married man. It takes no cognizance of whether or not he has any dependents.

The CHAIRMAN: I would point out to the committee that Mr. Quelch's argument addresses itself to the question of some sort of compensation for the death of a member of the forces. That has been argued back and forth. There is a great deal to be said for it on the ground given by Mr. Sinclair, that once you remove a son, who can tell what contribution he might have made? He might have been the backbone of an aged parent later on, or something like that. However, I suggest that this falls altogether outside of the terms of the bill, that a gratuity be paid to a person for service. I think it is

introducing a new principle into this bill, when you introduce the question whether, as a committee, we should recommend to parliament that some grant in respect of somebody who loses his life in the armed services should be given to his dependents, or to his estate as some compensation for his loss to the family, in addition to the pension, or something like that. That is another question. I would respectfully submit, that we should not try to change the principle of this Act by introducing that statement into it. But if it is the feeling of the committee, that it should be considered it can be a matter of separate study and recommendation. However, I would ask the committee not to try to introduce that element into this Act.

Mr. LENNARD: Then I take it that you would consider a separate study of this problem?

The CHAIRMAN: Oh, yes.

Mr. LENNARD: I want it definitely understood that it will be considered. The reference to this committee from the House was that we would have the right to study all matters pertaining to veterans affairs.

The CHAIRMAN: Give me the reference. If any member wants to bring that up and make a submission, it can be discussed.

Mr. LENNARD: We will see that it is brought up.

The CHAIRMAN: It is a matter for the committee. You have the right to bring it up the same as anyone else.

Mr. MUTCH: Is it not on all fours with the recommendation on discharge certificates?

The CHAIRMAN: The reference was:—

To consider all legislation passed since the commencement of the war with the German Reich relating to the pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have otherwise engaged in pursuits closely related to war; and to prepare and bring in one or more bills to clarify, amend or supplement the above legislation.

In other words, we consider legislation in relation to pensions, treatment—"treatment" means how we treat the armed forces—and the re-establishment of them and other persons who have otherwise engaged in pursuits closely related to war. Then we prepare bills to clarify or to amend or to supplement this legislation. I draw your attention to the word "supplement". So my interpretation of that is that we do have the right to study all questions, and that any member would have the right to bring them up and ask that submissions be heard.

Mr. CRUICKSHANK: Well, the principle is there, as I see it.

The CHAIRMAN: That is, payment to a person who is alive. The provision that is contemplated there is this, that if a person who is not discharged is treated as a member of the armed forces, then he would get his gratuity if he is still serving in the armed forces. I think it is quite rightly submitted that if he is discharged while still in hospital undergoing treatment, he should not suffer because his discharge went through in one case and did not go through in another. But if it be between cases where it went through on the one hand and did not get enough on the other, in each case the member is alive.

Mr. SINCLAIR: Does that 1946 deadline include occupation troops?

The CHAIRMAN: Yes, I think so.

Mr. QUELCH: When Mr. Probe spoke he reminded the committee that, under civilian law, this principle is recognized. I am not suggesting a new principle now for the first time. It happens that on every committee on which I have served since 1935, this question has been brought up and received a lot

of support from the committee, although no action was taken. I think it is time that it be considered by this committee and that the chairman assure us that it will be brought up in some form or other.

The CHAIRMAN: I am willing to say that we will bring it up and that we will hear submissions on it.

Mr. LENNARD: I would refer it to the steering committee.

The CHAIRMAN: We will do that.

Mr. HERRIDGE: I think the observation of Mr. Quelch is most unsound. He said that the rehabilitation grant should be considered as being given to re-establish the veterans in every way possible. I think Mr. Lennard's suggestion is even worse, that it be paid to the Estates Branch. I think that would cause endless complications and confusion. I think this whole matter should come up for discussion under the Pensions Act.

The CHAIRMAN: Are you willing to defer that? We can consider it at a time that the steering committee recommends. That is a privilege of the committee, and I think that Mr. Quelch will agree to that.

Mr. QUELCH: Yes, refer it to the steering committee.

The CHAIRMAN: Then may we carry section 3 enacting section 4? Carried.

Now, section four. I have read that before, but it will appear in the records and it reads as follows:—

Section five of the said Act is repealed and the following substituted therefor:—

(5) (1) Pursuant to regulations of the Governor in Council in that behalf there shall be deducted from the war service gratuity,

(a) overpayments of pay and allowances, other than dependents' allowance but including assigned pay, as follows:—

(i) pay or allowances issued to or on account of a member at rates in excess of those authorized by the appropriate naval, military or air force financial regulations;

(ii) pay or allowances issued to or on account of a member that, having regard to his naval, military or air force status at the date of issue, were not authorized by the appropriate naval, military or air force financial regulations; and

(iii) advances of travel allowances not accounted for by a member at the time of payment of the gratuity, or any portion therefor, to or in respect of such member;

(b) overpayments of dependents' allowance as follows:—

(i) any overpayment which the Dependents' Allowance Board has ordered to be recovered from a member upon a finding, concurred in by the Judge Advocate General, that such member was guilty of wilful misrepresentation or fraud;

(ii) where the gratuity, by reason of the death of the member to whom it was payable, becomes payable in whole or in part to a dependent, any overpayment which the Dependents' Allowance Board has found, with the concurrence of the Judge Advocate General, to have been made to such dependent as a result of wilful misrepresentation or fraud by the member or the dependent.

(c) such other overpayments of pay and allowances made to or on account of a member, or to his dependents, as the Governor in Council may authorize.

(2) Any amount deducted from the gratuity pursuant to subsection one of this section shall, to the extent that His Majesty has previously

been reimbursed in respect of the overpayment by any person other than the member to or on account of whom the overpayment was made, be paid over to that person.

(3) The provisions of the Act entitled "An Act respecting debts due to the Crown", chapter eighteen of the statutes of 1932 shall not apply to a gratuity.

You have no amendments to any part of section 3, have you Mr. Gunn?

Mr. GUNN: No, but I wanted to mention that the word "shall" in the second line of the proposed new section ought to be "may".

The CHAIRMAN: Yes. Now will section 4 carry?

Mr. SINCLAIR: Carried!

The CHAIRMAN: Carried. Section 4 as amended reads as follows:—

5. (1) Pursuant to regulations of the Governor in Council in that behalf there may be deducted from the war service gratuity.

Section 5 is already carried. We come to section 6 having to do with the manner of payment of gratuities. Have you an amendment on that now?

Mr. GUNN: Yes. The amendment was distributed this morning, Mr. Chairman. It is one of the mimeographed forms that were distributed. It reads as follows:—

THE WAR SERVICE GRANTS ACT, 1944

PROPOSED AMENDMENT TO DRAFT BILL

Clause 6 of the draft bill is deleted and the following substituted therefor:—

'Section seven of the said Act is repealed and the following substituted therefor:

6. (1) Payment of war service gratuity to a member of the forces shall be made in monthly instalments payable in arrear not exceeding the amount of pay and allowances, including dependents' allowance, paid to or in respect of such member for the thirty days immediately preceding his discharge, unless as a result of a posting from an establishment, unit or ship for discharge purposes, his pay and allowances are reduced, in which case no instalment shall exceed the pay and allowances including dependents' allowance in issue to such member for the thirty days immediately preceding such posting and including also, in the case of a member of the naval forces, lodging and provision allowance, and in the case of a member of the military or air force, subsistence allowance at the standard rates payable in Canada, notwithstanding that at the date of discharge he was not receiving such allowances.

(2) For the purposes of this section the pay and allowances, including dependents' allowance, in issue for the thirty days immediately preceding discharge or for the thirty days immediately preceding the posting of the member from an establishment, unit, or ship for discharge purposes, as the case may be, shall be deemed to be the equivalent of the daily rate in issue for the last day of either of such thirty day periods multiplied by thirty.'

The CHAIRMAN: Will you explain the effect of that amendment?

Mr. GUNN: This is really a pay procedure and I think perhaps the pay personnel from the services could explain the operation of this section to better advantage than I could.

The CHAIRMAN: There must be some reason for the proposed change. Will you explain the reason for the proposed change from the draft bill?

Lieutenant Colonel WELLWOOD: I shall try.

Mr. GREEN: Mr. Chairman, before going on with that, may I ask if section 2, clause 3 at the top of page 4 of the draft bill was carried yesterday or whether it was allowed to stand?

The CHAIRMAN: It was carried this morning. Subsection 3 was carried this morning.

Lieutenant Colonel WELLWOOD: The purpose of this amendment is to provide that the member shall receive his gratuity at the rate at which he was receiving pay at the unit from which he started in the discharge stream rather than at the date of discharge, which might be lower.

Mr. WOODS: That is supplementary gratuity, you mean; not gratuity proper.

Lieutenant Colonel WELLWOOD: This is section 6, the amendment of payment; the rate at which payment will be made.

The CHAIRMAN: This is of not great importance, gentlemen. It has to do with the rate at which it is paid. Is it the pleasure of the committee to adopt the amendment?

Some Hon. MEMBERS: Carried.

Amendment agreed to.

The CHAIRMAN: Then the next is section 7, which reads as follows:—

7. Section eight of the said Act is repealed and the following substituted therefor:

‘7. Subject to the provisions of this Act, every member of the forces who does not elect to take benefits under The Veterans’ Land Act, 1942, or any educational, vocational or technical training benefits which are provided out of moneys appropriated by Parliament, shall, in order to assist in his re-establishment, be eligible, in addition to the war service gratuity, for a re-establishment credit in an amount equal to the total amount payable to him under subsection one of section three of this Act.’

You have an amendment to that, Mr. Gunn. Would you explain that?

Mr. GUNN: Yes.

Mr. SINCLAIR: Are there any draft forms of that?

Mr. GUNN: No. This is a very minor amendment and it consists of really two words. In the fifth line of the proposed new section, after the figures “1942” it is proposed to insert the words “except section 13 thereof”; and after the word “parliament” in the seventh line, it is proposed to insert the words “other than such similar benefits as may be available to a former member under the provisions of the Department of Veterans Affairs Act.”

Just a word as to the reason for these amendments, Mr. Chairman. It has been found in administering the re-establishment gratuities, that the matter of computing the benefit to the veterans that he may obtain under section 13 of the Veterans Land Act imposed almost insuperable difficulties. It is difficult to ascertain in dollars and cents what the privilege of getting a loan for a prescribed period at certain definite terms and perhaps a modest rate of interest may be. I am instructed that it is the departmental view that this benefit need no longer or ought not to be any longer regarded as a benefit for adjustment purposes as between the War Services Grants Act and the Veterans’ Land Act. It is of such little value that it has been decided to recommend that it be abandoned altogether. As to the other amendment, I think I mentioned before that there were certain benefits—educational, vocational and technical training benefits—that are available to certain classes of veterans under the departmental treatment regulations. This change arises out of an order in council which excluded

any adjustment as between the benefits that the member gets under the Re-establishments Credit Act and the value of that training that he gets as part of the treatment regulations. In other words, of the training received under the treatment regulations is not charged against the cost or charged against the value of his re-establishment credit.

Mr. QUELCH: Mr. Chairman, I think the amendment is very good but—

Mr. WOODS: Perhaps, if Mr. Quelch would excuse me for one minute, I might further clarify this situation, in the minds of the committee, in view of what Mr. Gunn has said. Assistance under the Veterans' Land Act is of two types. One is for the purchase of a farm or a small holding, in which event the settler gets credit of one-third of the net cost of the land and buildings as a free write-off. In addition to that he gets such stock and equipment as he requires and that is also free. That is one type of settlement under the Veterans' Land Act. The other type under section 13 is merely for the removal of an encumbrance on a farm which he already has. The only benefit that man gets is that he gets money at a low rate of interest, $3\frac{1}{2}$ per cent instead of 5 or 6 per cent which he would have to pay to a mortgage company. He does not get the gift of an equity in the property. He does not get his stock and equipment free. So it is proposed to make the re-establishment credit available to this man who merely used the Veterans Land Act for the purpose of removing an encumbrance. He can still draw re-establishment credit if this amendment passes the committee.

The second one to which Mr. Gunn refers is in the case of pensioners who are disabled. Under our treatment regulations, having given them training or if they had drawn their re-establishment credit and later their disability increases to the extent that they again need training, this will enable us to give them training again under our treatment regulations despite the fact that they may have used the re-establishment credit.

Mr. QUELCH: Mr. Chairman, I think the amendment is a very good one regarding section 13. It removes one of the great injustices in it. But the question will still come up as to whether or not a man, under section 13, who has only a very small equity in his place should not be entitled to sell his farm to the board. But that will come up under the Veterans' Land Act. I should like to ask whether or not this will be retroactive as to the old settlers who have already taken advantage of section 13.

Mr. GUNN: In reply to Mr. Quelch, I may say that any amendment to the Act is effective as from the date of the coming into force of the Act.

The CHAIRMAN: Is it the pleasure of the committee to carry the section as amended?

Mr. GREEN: There is one point I think should be considered by the committee in connection with this section, and it is whether or not it might be wise to also exempt what was paid by way of vocational training; in other words, allow the man discharged from the forces to obtain his full re-establishment credit as well as getting vocational training. I do not know whether that is feasible but I think it is well worth consideration. A few months ago there were comparatively few men taking advantage of vocational training. That position may be changed now. But it is of great importance that these men should get that training to the maximum; I mean, for their own welfare in future years it is of great importance that they get that training. I know of cases where men would say, "Well, I am not going to bother taking vocational training because if I do I lose all the advantage of re-establishment credit. I would sooner have the credit and forget about the vocational training." I should like to get some statement from the officer in charge of vocational training as to what the situation is at the present time. I would ask the committee to give consideration to exempting vocational training just as they have exempted treatment under the treatment regulations.

Mr. WOODS: Mr. Chairman, vocational training will come up when you deal with the Veterans' Re-establishment Act, which takes the place of the Post-Discharge Re-establishment Order. That is the measure in which benefits are made available. The training officers are not here for the reason that we have not reached that Act yet; and I like to keep the numbers waiting around in this committee down to the minimum if we can, because they are extremely busy in that division. I would say, Mr. Chairman, as will be known by the gentlemen present who were in parliament when the War Service Grants Act was passed, that re-establishment was provided as a quid pro quo for those men who did not need training or who did not take land settlement. Vocational training courses following the Great War cost approximately \$1,000 a course.

Mr. GREEN: They cost how much?

Mr. WOODS: \$1,000.

Mr. GREEN: Per man?

Mr. WOODS: It cost \$43,000,000 and there were 43,000 men trained, so vocational training cost \$1,000 per case following the Great War. It was felt, when the War Service Gratuities Act was drafted, that the country was being fairly generous with the men who needed training and with those who took land settlement, but no provision was made for the man who did not need training,—a man, for example, who had a fairly low-paid job to which he returned to—may be a mail carrier. He comes back to his former job. He does not need training. He does not settle on the land. It was felt that something should be done for perhaps 50 per cent of the forces who would neither take land settlement or training; and re-establishment credit was placed in there in order to assist these men who would not benefit by the other two measures in re-establishing their homes and lives. This suggestion of Mr. Green's would be a departure from parliament's action when they made provision for the other men.

I should like to point out also that if you give re-establishment credit to men who have taken training, it would perhaps be discrimination merely to select those who took vocational training and leave out those who took university training. I mention that because vocational training last time cost \$1,000 per individual. University training may well run up to \$3,000, \$4,000 or \$5,000. It is question for the committee to determine whether, in addition to that, they should also be given the re-establishment credit.

Mr. GREEN: The deputy minister has not given us any figures about vocational training. I should like to know how many men are taking vocational training.

Mr. WOODS: I can give that information.

Mr. GREEN: And how much it would cost in the average case? The department should have some figures.

Mr. WOODS: I can give that information, Mr. Chairman. 13,645 have taken vocational training so far. 7,100 have taken educational training. Applications are now bringing the university group up to approximately 10,000, but 7,100 have already been admitted and a little less than 14,000 are taking vocational training.

Mr. GREEN: Roughly how many have completed their vocational training? I ask that to get some idea of how long an average training course lasts. I should also like to know how much the average training course costs.

Mr. WOODS: The numbers taking vocational training who have completed are comparatively small for the reason that while the war was on and good wages were payable for comparatively unskilled work it was almost impossible for us to persuade men to take vocational training. It is only within the

last two or three months that they have begun to roll in in much greater numbers. So the numbers of courses completed up to the present time are comparatively small. I would draw the committee's attention to the fact that while discharges from the three services were only 23,000 in August, in September they jumped up to over 70,000. With the closing down of war industries numbers of our men are now going into vocational training. The number of courses actually completed are comparatively small, and I would prefer to table them if I may at the next sittings of the committee.

Mr. GREEN: Can the deputy minister not give us an estimate of what it is expected the average vocational training course will cost?

Mr. WOODS: We have not yet been billed by the provinces for their share. As the committee knows the provincial governments provide the actual training facilities under arrangement with the dominion government in the Vocational Training Co-ordination Act. We have not yet been billed with the actual cost on the part of the provinces for providing facilities. In so far as training grants are concerned they are approximately the same as they were following the great war in 1919. The grants were increased to just about the same rates that are payable now. So if the actual cost of the physical training facilities is no more than it was then one can leave the estimate of approximately \$1,000 per course as it was then.

Mr. GREEN: That \$1,000 is all paid to the provinces?

Mr. WOODS: Yes.

Mr. WINTERS: Would it be in order to ask how many training schools there are and where they are located?

Mr. WOODS: I should like to furnish that information at the next sittings of the committee. I did not anticipate we were going to deal with training this morning because it does not come up until this new measure comes up, but I will see that the information is furnished.

Mr. MERRITT: Further to what Mr. Green and the deputy minister have said there seems to me to be the question that if you exempted vocational, educational and technical training it would mean that the man who took it would get a greater benefit than the man who did not. To that extent there might be some discrimination but, of course, discrimination works the other way, too. I have a clipping out of a veterans' paper which gives some actual figures. For instance, a man who served overseas with the original first division, and therefore has had over five years' overseas, would be entitled to a re-establishment credit of \$925 if he is a single private, and a man who served in the N.R.M.A. in Canada for only ten months would be entitled to a re-establishment credit of \$75. In the event they both took the same technical or vocational training course the effect of that, assuming that the course costs \$1,000, would be that the man who served overseas paid for his course \$925 and the man who served for a short time in Canada only paid but \$75 towards his course. The difficulty seems to arise out of the fact that the two benefits are based on different principles. One is based on length of service and the other is based on the need to re-establish despite the length of service.

Mr. WOODS: If Mr. Merritt will permit me, they are both based on length of service. The course we can give in a university or in vocational training is based on the length of service of the individual.

Mr. SINCLAIR: Then the N.R.M.A. soldier with ten months in Canada would get nothing at all except the gratuity? He gets nothing?

Mr. WOODS: Not unless he is obligated to serve overseas.

Mr. MERRITT: I must say I should have checked this clipping, but you could take the young soldier who had joined as a volunteer and did not get overseas and you would reach the same result. There is a further point, too,

that a man can quite easily take vocational training and end up without having received any benefit because the course was unsuitable to him or he did not do very well at it or he got some other idea after he had taken it. I am sure there will be a great number of those cases. Having done that he finds himself barred from re-establishment credit. I knew this matter would come up. When the Act was before the House in the last session, Mr. Green brought it up, I believe, and got the answer that to give both would be to discriminate. Therefore I thought we might consider applying the judgment of Solomon and making some such provision that no man shall lose more than 50 per cent of his re-establishment credit so that first of all discrimination either way would not be very serious, and secondly in the event that he was not suited and not benefited by his vocational training course he still would come back and know that he had some money with which to buy furniture. That sort of irritation would be greatly removed. It seems to me if you had made provision in the section that in any event no man would lose more than 50 per cent of his credit if he served overseas you might have reconciled the two discrepancies to some good effect.

Mr. QUELCH: Mr. Chairman, I was rather interested in what Mr. Woods said that the personnel of the N.R.M.A. would not benefit under this Act. Mind you, I think that is right, but I asked that question of one of your representatives in Alberta. They said that the matter was not at all clear but they did not think they should be allowed to come under the Veterans' Land Act until the rest were settled. The definition of member here does not mention anything about excluding N.R.M.A. personnel. It says.

'Member' and 'member of the forces', mean any person who was on service in the forces during the war which commenced in September, one thousand nine hundred and thirty nine.

Should we not say "excluding N.R.M.A. personnel"?

Mr. GUNN: It is covered by the definition of service which is stated to mean:—

Time served on active service in the forces while enlisted or obligated or to serve without territorial limitation.

Time served on active service in the forces in the Aleutian Islands, and so on.

Mr. QUELCH: I know that this is not the right place, but is that clear in the Veterans' Land Act? They were not certain in Alberta. They were getting applications from N.R.M.A. personnel and they had to turn them down. Is that clear in the Veterans Land Act?

The CHAIRMAN: I think it is clear that N.R.M.A. men are under the Veterans' Land Act.

Mr. QUELCH: They are?

The CHAIRMAN: They are under it, but the attitude of the administration was that they did not want to use up all the land that was available in settling N.R.M.A. people ahead of the people that were overseas. I do not know whether this has been officially announced but the attitude was to give the men overseas an even break with the men that had not gone overseas. So they were holding back on settling N.R.M.A. people to give the man overseas an equal chance, at least. I think that is the truth of the matter.

Mr. GILLIS: What do you mean by the N.R.M.A. army? There were thousands of kids who reached the age of 18 years and six months and were called up under the regulations. They can be classified as N.R.M.A., but there were hundreds of those boys who on being called up and going into their depot immediately volunteered.

The CHAIRMAN: They are volunteers, then.

Mr. GILLIS: At the same time they were called up under the N.R.M.A. regulations, and it can very easily be confused.

Mr. SINCLAIR: It is only a euphonism for the word "zombie".

Mr. MERRITT: In any event, my argument applies to thousands of volunteer soldiers.

The CHAIRMAN: Where a person has earned a re-establishment credit approaching a thousand dollars and then realizes he has got to give that up in order to get the benefits of vocational training he is going to feel that perhaps it would be better for him not to take it. I realize that, but I also realize the great difficulty if you begin to say that a person who took training would get half his credit. Then immediately the man who went on the land would say, "I should get half my credit". The man who took nothing at all would say, "Well, I should get double what I am getting to-day". You open up the whole situation the moment you try to do anything to estimate the value of the benefits he is getting under these different re-establishment measures. I think the committee will realize that once you try to do that you open up the whole question and make it very difficult. I think that is true.

Mr. MERRITT: There is another point. These men who take university courses and fail on two or three subjects after they have been there for a short time may have earned credits enough to have taken four years at university. If they have failed after only taking one year will they receive the balance of their gratuities or is the whole thing wiped out?

Mr. WOODS: They get the gratuity in any event.

Mr. MERRITT: I mean the re-establishment credit.

Mr. WOODS: They get the unused portion, or they have to repay the moneys that were expended on their behalf.

Mr. MERRITT: They will get the unused portion?

Mr. WOODS: Yes.

Mr. BROOKS: Could that not apply to vocational training as well? They could set a certain amount as due for vocational training and then give them the unused portion?

Mr. WOODS: It does apply in vocational training. If, for example, they start in vocational training and after the finding period, which may take a month to determine just what specific course they should enter, if they decide themselves or the instructors decide that it is not wise to carry them on through the course and they are dropped, all that is deducted from their credit is what we expended on them for the month they took, and the balance is payable to them.

Mr. BLAIR: Suppose a man is in receipt of a disability pension of 75 per cent, does he get that allowed on his re-establishment credit when going to university?

Mr. WOODS: There is nothing deducted from his pension; he can draw 100 per cent pension and still receive a course of vocational or university training.

Mr. WINTERS: Sorry, Mr. Chairman, I did not hear the answer to that question.

The CHAIRMAN: I am sorry; you did not hear the question, or the answer?

Mr. WINTERS: I did not hear the question asked by Mr. Blair.

Mr. BLAIR: I was asking the deputy minister how this would affect the pension of a man attending university. Supposing a man had a pensionable disability of 75 per cent, does he get the amount of his re-establishment credit plus his pension?

The CHAIRMAN: And the answer was?

Mr. WOODS: You are referring to a man going to university?

Mr. BLAIR: Yes.

Mr. WOODS: And you want to know if he gets his credit as well?

Mr. BLAIR: Yes.

Mr. WOODS: No.

The CHAIRMAN: But he continues to get his pension.

Mr. WOODS: His pension is subject to deduction according to a scale which accompanies the post-discharge re-establishment order. When that comes up for discussion you will have that.

Mr. BLAIR: That is what I wanted to get, the scale. That will come up later?

Mr. WOODS: Yes.

Mr. GREEN: Mr. Chairman, that seems to be contrary to the whole principle on which pensions are paid. It always has been held that a man would be entitled to a pension enough to compensate him for his disability; then, being in receipt of that compensation for disability he can do anything he wishes. He can go out and get himself the best job in the country and still draw his pension. Surely that same principle should apply to a pensioner who wants to go to a university. He should be entitled to get exactly the same benefits that a man gets who is not a pensioner, otherwise you are penalizing a man who is a pensioner.

Mr. WOODS: Mr. Chairman, I respectfully suggest to the committee that we are wandering from the discussion of this order to the post-discharge order which will come up in the form of a bill later on.

The CHAIRMAN: The bill has been distributed.

Mr. WOODS: But I might say that is merely following the practice which obtained after the great war; that the pension was taken into consideration when paying allowances for training.

Mr. GREEN: But the great war is now 27 years past and there has been a lot of progress made in pension legislation and legislation for veterans since that time. I do not agree with the deputy minister that this is not a proper item for discussion under this section, because we are dealing under this section with educational training for veterans. It seems to me that the university pensioner is entitled to get the full benefits of the education training regardless of the fact that he is a pensioner. I think that ought to be thrashed out now and not put off until the other matter comes up.

The CHAIRMAN: Mr. Green, you will agree that where we can deal with it effectively is under the appropriate bill, which we have distributed, providing for university training and the regulations thereunder. That is where we can effectually deal with it; and I do submit again that we should discuss it where we can most effectually deal with it.

Mr. GREEN: No, that is the post-discharge order and that may not be considered at this session.

The CHAIRMAN: We have distributed it.

Mr. GREEN: The Veterans' Land Act is the next on the agenda and that will take a long time. In the meantime these boys are being penalized to-day. I know that of my own personal knowledge. These pensioners are not getting the grants to which they would be entitled otherwise, if they were not in receipt of a pension. I think that the committee should decide on that principle without postponing it. I think it comes properly under this section.

Mr. WOODS: Even if the committee decides that pensions should not be taken into consideration when approving a course of training for a veteran, it

would not affect the wording of this at all. This measure presently before you merely states that if a man takes training or settles on the land, with some exceptions, he is not entitled to re-establishment credit. But, if the committee decides that we should not take the pension into consideration at all when giving a man training, it would not change this order at all; it would change the other bill which has been placed before you.

Mr. GREEN: No, it would not change the bill; what it would change is the order in council.

Mr. WOODS: Yes.

Mr. GREEN: Because the bill may not become law until the next year. All of these post-discharge matters are being handled by order in council.

Mr. WOODS: That is right.

Mr. GREEN: An order in council can be brought in very quickly to change this particular provision; and I suggest to members of the committee that it is of sufficient importance to have it settled now rather than waiting to do that next year. I would like to hear some expression by members of the committee concerning that. I do not want to be ruled out of order discussing educational benefits under this section.

The CHAIRMAN: Mr. Green is a member of the steering committee. I suggest that he let us proceed with this bill, and if the steering committee sees fit to take up this point he has mentioned, before we deal with anything else we can consider that as a steering committee. But I would suggest to the committee that this is a subject on which other members of the committee may wish to speak, and it is a subject on which we might want to have representations from the department, and it is a subject to which I think the committee would want to give proper attention and not just deal with it suddenly in the middle of another discussion. Mr. Green is a member of the steering committee, and I hope he will not insist on the point in regard to this Act. If he wants to have it considered next, I will assure him that we will have a meeting of the steering committee right after this meeting to decide the point.

Mr. GREEN: After the experience I had with the steering committee on Monday I am not very hopeful about any recommendation coming from anybody but a government member receiving favourable consideration.

The CHAIRMAN: That is not a matter for the steering committee to consider.

Mr. GREEN: I am not complaining, but the steering committee voted unanimously for something and then we came in here and the minister spoke against the recommendation, and the Chairman voted against the recommendation; even one of the members of the steering committee spoke against it. However, that is all part of the game; I realize that; the government has to crack the whip once in a while.

Mr. SINCLAIR: I resent that. You cannot attribute action of that kind to me.

Mr. GREEN: I want to assure the honourable member from north Vancouver that I was not referring to him. For the reasons I have stated, I do not place much confidence in questions being decided in the steering committee.

The CHAIRMAN: It was always understood that any recommendation of the steering committee would be subject to ratification by the main committee.

Mr. GREEN: Yes, but I did not expect the Chairman would put himself against it.

The CHAIRMAN: I do not think I did, as a matter of fact.

Mr. GREEN: I am simply saying what happened.

The CHAIRMAN: I would point out for the benefit of the honourable member speaking (Mr. Green) that I think I presented the matter so impartially that one of his own followers opposed it because he thought it was my suggestion.

Mr. GREEN: Oh well, whatever may be the reason, it is all water over the dam now. I do suggest that this principle is very important. I am not going to press to have it considered under this section, but I think perhaps in fairness that it should be dealt with rather than be delayed perhaps a month.

The CHAIRMAN: Shall we carry this section as amended?

(Section as amended agreed to.)

The section as amended reads as follows:—

7. Subject to the provisions of the Act, every member of the forces who does not elect to take benefits under the Veterans' Land Act, 1942, except section 13 thereof, or any educational, vocational or technical training benefits which are provided by moneys appropriated by Parliament, other than such similar benefits as may be made available to a former member under the provisions of the Department of Veterans Affairs Act, shall, in order to assist in his re-establishment, be eligible, in addition to the war service gratuity, or a re-establishment credit in amount equal to the total amount payable to him under subsection 1 of section 3 of this Act.

The CHAIRMAN: And now, section 8:—

8. The said Act is amended by adding thereto immediately following section seven thereof the following section:—

8. No credit shall be made available to a member unless the member is resident in Canada and the Minister is satisfied that the credit will be used for one or more of the purposes specified in section nine of this Act and for the re-establishment of the member in Canada.

Now we have an amendment to suggest to that.

Mr. GUNN: Mr. Chairman, I have been instructed to introduce—

Some Hon. MEMBERS: We cannot hear you.

The CHAIRMAN: You will have to speak louder, Mr. Gunn.

Mr. GUNN: Mr. Chairman, I have been instructed this morning to introduce an amendment to this particular clause, a proviso reading as follows:—

Provided however that except as may be provided by Order in Council this section shall not apply in the case of a member who desires to use re-establishment credit for the payment of premiums under the Veterans' Insurance Act or the Returned Soldiers' Insurance Act or for the payment of the purchase price of an annuity purchased by him under the Government Annuities Act.

Mr. GREEN: That certainly is a great step forward, because it does enable the man who came up from the States and enlisted to get some re-establishment benefit; but I would ask whether there are not some other benefits which could be completely made available to him? Take for example the purchase of tools for his business, or the purchase of books for an educational course; or to help him start his business. Is there any way in which these credits could be extended to him?

Mr. WOODS: Mr. Chairman, I am sure that the committee is conscious of the administrative difficulties in making available the credit for all the purposes named in the re-establishment credit section of the War Service Grants Act. If you make the credit available outside of Canada I think you have to make it available in any part of the world; and for us to determine with respect to a man in Mexico, or China, or Russia, whether or not the house he wants to

improve or build is an adequate transaction—such transactions in Canada are supervised. We value the property, we see it is properly conveyed to him, we value the chattel, we see that he gets title to that chattel, that it cannot be re-possessed for any unpaid amount and so forth. We are able to watch his interest and watch the transactions; and I am sure that you will realize that the further you get away from Canada, the more difficult it is to take precautions that are necessary in a man's interest so that he is not gypped.

Mr. GREEN: I agree with that; but as the minister mentioned when the question was first up for discussion, an attempt was being made to work some agreement with the United States authorities with respect to this question. Supposing an agreement is reached, might it not be made broad enough to cover some of the provisions which are made here by way of a new re-establishment credit; and if the amendment as now read is not broad enough—

The CHAIRMAN: Yes, it would give the governor in council authority to make provision for, "any other purposes authorized by the governor in council".

Mr. GREEN: Is that in it?

The CHAIRMAN: That is in the Act, on page 8, line 45.

Mr. GREEN: No, no; that would hardly overcome the difficulty, the fact that it is not in the particular clause Mr. Gunn just read.

Mr. WOODS: I may suggest, in reply to Mr. Green, that it is perfectly true that we are in negotiations with the United States authorities to see if a reciprocal arrangement can be entered into whereby they will administer certain legislation on our behalf in the United States. I mentioned, in talking about it the other day, that at present there was no statutory authority in the United States enabling the veterans administration there to enter into reciprocal arrangements. But I suggest that when the legal difficulty or obstacle is removed, then we will be in a position to negotiate with them and discuss those things that are practical to administer in the United States. I suggest that if you now remove entirely any obstacle to paying the credit outside of Canada, we shall be beset with applications.

Mr. GREEN: I am not suggesting that; but I do suggest that there be some words added to Mr. Gunn's proposed amendment that will enable your department to extend a credit where there is to be a reciprocal arrangement. I think you should add words to the amendment to cover such cases.

Mr. SINCLAIR: I am thinking of a case which comes close to home. Canada has a great number of embassies and trade missions abroad which are, very properly, being staffed by veterans. I am thinking of a man from my own constituency who is now in London, and men like that. Certainly they are going to have the same problems of re-establishing themselves, setting up homes, and buying furniture as though they were working for the government in Canada. Should not those people, since they are Canadian nationals employed by the Canadian government, be covered under this section?

Mr. BROOKS: They are pretty well established as it is. I would say so.

Mr. SINCLAIR: But still they are entitled to their benefits, the same as anybody else.

The CHAIRMAN: I do not see any objection to meeting Mr. Green's suggestion by providing that "except as may be provided by order in council". So that, if we do manage to make a deal with any country, we can implement it without having to wait to put it through parliament.

Mr. QUELCH: Is that not true, whether or not you put that in?

The CHAIRMAN: Well, it will be when the emergency powers bill or act, if we ever get to it, is passed and in force. But if the committee wish to give that power to the Governor in Council, I do not see where there would be any objection. It is the desire of the committee to give that power?

Mr. GREEN: I do not think it could be specified in exact terms.

The CHAIRMAN: Except as may be otherwise provided by order in council. Would you consider that this, carried, with an adequate exception to be provided by our Legal department?

Mr. GREEN: That would suit me all right.

The CHAIRMAN: May we consider that carried then as amended? Carried.

Section 9: "purposes for and time within which available". The clause reads:—

9. Section nine of the said Act is repealed and the following substituted therefor:—

9. (1) All or any part of the re-establishment credit may, within a period of ten years from the first day of January, one thousand nine hundred and forty-five, or the date of his discharge, whichever is the later, be made available to or for the member of the forces eligible therefor when it is shown to the satisfaction of the Minister that such credit is to be used for:—

(a) the acquisition of a home

(i) under *The National Housing Act, 1944*, in an amount not exceeding two-thirds of the difference between the lending value of the home and the amount of the loan made under that Act; or

(ii) not under *The National Housing Act, 1944*, in an amount not exceeding two-thirds of the difference between the appraised value of the home as approved by the Minister or the purchase price, whichever is the lower, and the amount of the encumbrance thereon, assumed or created by the member;

(b) the repair or modernization of his home;

(c) the reduction or discharge of indebtedness under any agreement for sale, mortgage, or other encumbrance on his home, in an amount not exceeding twice the amount that the member himself simultaneously contributes to such purpose;

(d) the purchase of furniture and household equipment for his domestic use in an amount not exceeding two-thirds of the purchase price of the furniture or household equipment of the payment of the full cost of repair of such articles;

(e) the provision of working capital for his profession or business;

(f) the purchase of tools, instruments or equipment for his trade, profession or business or the cost of repair of such articles;

(g) the purchase of a business by him in an amount exceeding two-thirds of the difference between the purchase price and any indebtedness incurred for the purpose of the purchase of such business, if the payment of such difference entitles the purchaser to immediate possession;

(h) the payment of premiums under any insurance scheme established by the Government of Canada, including;

(i) payment of premiums pursuant to any contract of insurance to which he is a party under *The Returned Soldiers' Insurance Act*, the *Veterans Insurance Act* or the *Civil Service Insurance Act*;

(ii) payment under subsection two of section forty-nine of the *Royal Canadian Mounted Police Act* of a deficiency in deduction from his pay as an officer of the Royal Canadian Mounted Police;

- (iii) payment of contributions in respect of his service as a constable of the Royal Canadian Mounted Police under sections seventy-eight, eighty-one or eighty-two of the *Royal Canadian Mounted Police Act*;
- (iv) payment of contributions under section five of the *Civil Service Superannuation Act* in respect of his service in the Civil Service prior to becoming a contributor under that Act;
- (v) payment under subsection two of section ten of the *Militia Pension Act* of a deficiency in deduction from his pay as an officer as defined in that Act;
- (i) the purchase of special equipment including instruments, books, tools and other equipment required for educational and vocational training other than educational and vocational training provided by the laws of Canada for members of the forces;
- (j) any other purpose authorized by the Governor in Council.

(2) No credit shall be made available for the purchase of furniture or household equipment or for the payment of any debts incurred by the purchase of furniture or household equipment if the actual possession of the furniture or household equipment does not pass to the buyer when the contract is made or if it is agreed, provided or conditioned in the contract that the right of property in or right of possession to the furniture or household equipment in whole or in part shall remain in the seller notwithstanding that the actual possession of the furniture or household equipment passes to the buyer."

That was carried all right. Letter (b) was carried as well, was it not? No, it was not carried.

Mr. GREEN: Are there to be any amendments proposed to this section by the government?

The CHAIRMAN: Yes.

Mr. GREEN: Could we have them?

The CHAIRMAN: We have a couple of amendments to section 9, with regard to the purposes for which the re-establishment credit may be used.

Mr. GUNN: The first amendment that I am offering is with regard to paragraph (e), the deletion of the words "his profession or", in view of the definition of business. The word "business" was agreed to by the committee a few days ago. In my opinion these words that are now mentioned are unnecessary. Then, in letter (f), we have a similar situation. We can strike out the words "trade, profession or". Then, in the next one, (h), is is proposed to add a subparagraph immediately after the Roman numeral v, making it (vi) to read as follows:—

Payment of the purchase price of an annuity purchased by him under the Government Annuities Act.

Mr. GREEN: What is that after?

Mr. GUNN: Just after subparagraph (v) of letter (h), Mr. Green.

The CHAIRMAN: What is that again?

Mr. GUNN: The words are: "Payment of the purchase price of an annuity purchased by him under the Government Annuities Act." Then, there is further addition to paragraph (i). Right at the beginning we suggest introducing the words "payment of fees and". No, excuse me: "payment of fees". That is all.

The CHAIRMAN: "And"?

Mr. GUNN: "And", yes. That is it I see. I have these for distribution, or some of them, Mr. Chairman. The last two.

The CHAIRMAN: I think the committee got them.

Mr. GREEN: There was a copy of an order in council distributed to-day dealing with debts.

The CHAIRMAN: Yes; that would come under letter (j), "Any other purpose authorized by the Governor in Council." We distributed them so that the committee would know that is one of the provisions made by order in council.

Mr. GREEN: Why was it not put in the Act?

The CHAIRMAN: Well, it can be, if the committee would like to have it put in. There is no objection. (j) provides that it may be used for any other purpose authorized by the Governor in Council. There is an order in council which states that re-establishment credit may be used for the payment of a debt owing to the Crown.

Mr. GREEN: Have there been any other orders in council?

Mr. GUNN: No; no others put forward in this manner, under the authority of this section. We are dealing, of course, as Mr. Green knows, with certain orders in council that have been passed under the War Measures Act; but this is the only one passed under the authority of letter (j).

Mr. GILLIS: I should like to have some more information on that order in council before seeing it written into this Act. What is the object of this order in council, if section (j) already states "any other purpose authorized by the Governor in Council"? Why is this necessary?

The CHAIRMAN: This would come under that. It was distributed, as an order in council already passed, simply for the information of the committee. That is all.

Mr. GILLIS: What about this provision for the payment of any debts owing by such member to the Crown? Could they not check back on a man's income tax for the last twenty-five years to see whether he filed a return, or something of that nature? Would this mean that they have the privilege of taking his gratuity credits?

Mr. GUNN: Yes. It makes the payment of debts owing to the Crown one of the purposes for which the re-establishment grant could be taken. It follows that he must make application for his re-establishment credit to be used for that purpose.

The CHAIRMAN: It could not be done without his consent.

Mr. GILLIS: And why not?

The CHAIRMAN: Because there is a section later on in the Act that covers that.

Mr. GILLIS: Personally, I have strenuous objections to this. It is too wide open to suit me.

Mr. SINCLAIR: If he wants to do so, he can do it. A man can say, "I want to pay up my old debts".

The CHAIRMAN: Section 29 provides that it cannot be taken without his consent.

Mr. GILLIS: It may be all right if that is not in there; but if you stick that in, I do not know.

The CHAIRMAN: We circulated section 20.

Mr. GREEN: That would not apply to 12. If this section is being put in it would mean that a veteran might be subject to high pressure for the benefit of the Crown. I think it certainly needs further consideration. I am not in favour of its being put in the Act.

Mr. WOODS: I would point out that the amendment under order in council 6650 states that the re-establishment credit may be made available to the

member for such a purpose. In other words, he may use his credit for the liquidation of a debt which he owes to the Crown. It is not mandatory. It enables the man to do so; it gives the man another purpose for which he may use his credit.

Mr. BROOKS: He may pay his income tax with it if he wishes.

The CHAIRMAN: Yes. It gives him another power. That is all.

Mr. GILLIS: It also gives some one a power to high-pressure him into doing something that he might not otherwise want to do. I do not see any reason for it at all. I do not like this business of definitely specifying the Crown.

Mr. FULTON: I should like also to know whether it contemplates the Crown in the right of the dominion only, or the Crown in the right of the provinces. A man might want to use this credit to pay off back taxes on the farm to the provincial government. Does it contemplate that?

Mr. GUNN: The Crown, in dominion statutes, means the Crown in the right of the Dominion of Canada.

Mr. GREEN: I would suggest that this matter be stood over for further consideration. It looks to me like using high-pressure.

The CHAIRMAN: We are not asking to have it in the bill at all. It is raised by providing "any other purpose authorized by the Governor in Council." If you want to say that there shall be no elasticity, it could be brought about by striking out letter (j). Then you say that the Governor in Council cannot expand the purposes for which the man may wish to use his re-establishment credit. To say that because a man may use his re-establishment credit to pay a debt to the Crown is subjecting him to high-pressure seems to me to suggest that the Crown is going to do something you are not afraid of other people doing. I have not got that low an opinion of our Crown.

Mr. PROBE: It is past adjournment time, I believe, and I presume you want to complete the discussion under this particular section of the Act. It seems to me that we did have previously some discussion about revising subsection (a) to bring it in line with the terms of the Veterans Land Act. Am I correct there?

The CHAIRMAN: Yes.

Mr. PROBE: Then there was some discussion on that. We glossed over that at the moment.

The CHAIRMAN: I was going to ask the solicitor about (a). It seems to me that you had in mind doing something along the line of the discussion?

Mr. GUNN: No. I do not think I had any definite instructions on that point, Mr. Chairman, although I may be mistaken. But these clauses—that is, (i) and (ii) of clause (a),—are in exactly the same words as originally used in the statute. The need for them—

The CHAIRMAN: Seems to arise out of the principle of requiring veterans themselves to put up a certain amount of money, and, further, to ensure as far as possible, that they do not get into a land-deal that is not a good one; that is, to see that a veteran does not get into the hands of unscrupulous vendors of land. It gives an opportunity to the minister to have an inspection made and the re-establishment credit advanced in accordance with the appraised value.

I wonder if we could have Mr. Hogan to explain that, since this has opened up. I wonder if we could permit Mr. Hogan to explain that?

Mr. BLAIR: You have not got a quorum?

Mr. Green: We could hear that on Monday.

The CHAIRMAN: I was going to point out to the committee that we had agreed to hear the council of veterans on Monday, and that may take up all of Monday and perhaps part of Tuesday. I wonder if there would be any objection

to the committee sitting this afternoon and endeavouring to complete this bill? There is not much left, and if it goes over to next week, it is quite possible we shall not get it done until Thursday of next week. Is there any objection on the part of the committee to meeting this afternoon at 2 o'clock and endeavouring to complete this? Or would it be preferred to sit while the House is in session this afternoon?

Mr. GREEN: I am afraid the members of the opposition would not be able to sit while the House is in session, Mr. Chairman. I should be willing to sit at 2 o'clock, but it would be pretty difficult, I should think, to get out your notices now and get the members here.

The CHAIRMAN: We could adjourn until 2 o'clock, and then the clerk would endeavour to notify the members. Is there any objection to adjourning until 2 o'clock? It would be very good to get this finished this week.

Mr. GREEN: I do not think you can get it finished anyway, Mr. Chairman, because this particular section is very important. The majority of the members of the committee will not be in attendance. I doubt whether you could finish the bill this afternoon. I am all for completing it, but I think you are up against those difficulties.

The CHAIRMAN: If that is the opinion of the committee, and I know there is a great deal to be said for it, all right. We have made good progress. Did you wish to speak, Mr. Herridge?

Mr. HERRIDGE: Just before we adjourn, Mr. Chairman, I should like to say this in connection with this order in council. I do not think it was cleared up. In view of the objections raised by Mr. Green, Mr. Gillis and others, how would it be if the steering committee dealt with it? I think the opinion of the committee seemed to be that they would rather have the order in council included in the legislation; that is, the last order in council. I would suggest that the steering committee might be able to redraft this so it could be included in the legislation, to overcome the objections which have been made.

The CHAIRMAN: Very well. We will take that up before we actually consider it again.

Mr. PROBE: I move that we adjourn.

The CHAIRMAN: We will adjourn until Monday at 11 o'clock.

The committee adjourned at 12.45 p.m. to meet again on Monday, November 5, at 11 a.m.

APPENDIX "A"

THE CANADIAN LEGION OF THE BRITISH EMPIRE
SERVICE LEAGUE

DOMINION COMMAND, OTTAWA, CANADA

October 31st, 1945.

W. A. TUCKER, Esq., M.P.,
Chairman,
Special Committee on Veterans Affairs,
House of Commons,
Ottawa.

Dear Mr. TUCKER;—In our first submission to your Committee reference was made to men who were discharged in Great Britain as being in need of rehabilitation benefits which would be denied them because of non-residence. In this connection, I would like to bring to the attention of the Committee the case of Sergeant, L. M. Androlia, No. K54035, who discussed his post-war difficulties with Mr. Alex. Walker, Dominion President of The Canadian Legion, while the latter was in England this past summer. The following is an extract from Mr. Walker's letter, which graphically describes the circumstances in which this blinded soldier finds himself as a result of his war service:—

I ran into a case where *I feel an amendment to the Re-establishment Credit Act is necessary*. This is the case of Sgt. L. M. Androlia, No. K54035. This man is 30 years of age. He lived in Ellwood City in Pennsylvania, enlisted with the Seaforth Highlanders, was transferred to the 4th L.A.A. Regiment and, after firing nearly 1,000 shells, one shell exploded in the gun barrel, which was almost red hot, resulting in the loss of his eyes and face disfigurement. He has married an English girl who lives in Chester, Cheshire, and Androlia expects to go to St. Dunstan's School in Church Stretton, near Shrewsbury, about 1½ hours travel by train from his wife's home. He said "I have no family ties in America or Canada and it would not be right for me to take a young English girl over to a country where I have no friends." Her people are living in this part of the country. They have a nice family life and his wife feels that she can do so much more for him if he would take his discharge and live in England with her and near her people. I think this man is showing very good judgment and, from what I heard from one of his nurses, his wife is a capable and rather good type of girl. According to the table showing comparison of benefits available to Canadian veterans retired or discharged outside of Canada, this man will not be granted his Re-establishment Credit and will only receive hospitalization for pensionable disabilities. I asked him what he figured on doing after training and he said that he would like to have a small greenhouse and grow flowers and surely our Government will see to it that this soldier has every opportunity to get re-established in civil life, whether he decides to reside in England or in any other country.

This is just one case, indicating the necessity for extending rehabilitation benefits to Canadian veterans who may find it necessary to take their discharge and live in Great Britain.

We would ask that this additional material receive the consideration of the Committee, as particularly emphasizing the position of Canadian veterans who may be discharge in Great Britain.

Yours sincerely,

J. C. G. HERWIG,
General Secretary.

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SESSION 1945

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

MONDAY, NOVEMBER 5, 1945

WITNESSES:

- Mr. W. S. Woods, Deputy Minister of Veterans Affairs.
Brig. J. L. Melville, M.C., E.D., Chairman Canadian Pension Commission.
Col. E. A. Baker, O.B.E., M.C., Croix de Guerre, LL.D., Sir Arthur Pearson Association of War Blinded.
Mr. Stanley Harpham and Captain W. C. Givens, M.C., Canadian Corps Association.
Mr. Frank G. J. McDonagh and Captain T. E. Bowman, Canadian Pensioners Association of the Great War.
Rev. Col. S. E. Lambert, O.B.E., War Amputations of Canada.
Mr. J. Nevins, Army and Navy Veterans of Canada.



MINUTES OF PROCEEDINGS

Monday, November 5, 1945.

The Special Committee on Veterans Affairs met at 10:30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Blair, Bridges, Brooks, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Emmerson, Gillis, Green, Harkness, Herridge, Isnor, Jutras, Langlois, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Moore, Mutch, Pearkes, Probe, Quelch, Sinclair (*Vancouver North*), Skey, Tucker, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Brigadier J. L. Melville, M.C., E.D., Chairman, Canadian Pension Commission; Colonel E. A. Baker, O.B.E., M.C., Croix de Guerre, LL.D., Sir Arthur Pearson Association of War Blinded; Mr. Stanley Harpham and Captain W. C. Givens, M.C., Canadian Corps Association; Mr. Frank G. J. McDonagh and Captain T. E. Bowman, Canadian Pensioners Association of the Great War; Rev. Col. S. E. Lambert, O.B.E., War Amputations of Canada; Mr. J. Nevins, Army and Navy Veterans of Canada.

The Chairman reported that the Steering Committee had decided to recommend that after completion of the draft bill to amend The War Services Grants Act, 1944, the draft bill to amend the Veterans Land Act be next considered, followed by draft bills to provide Rehabilitation Allowances for Veterans and to amend the War Veterans Allowances Act.

On motion of Mr. Croll the Steering Committee's recommendation was concurred in.

In answer to a question put to him by Mr. Green at the last meeting, Mr. Woods submitted a statement setting forth the number of veterans now undergoing vocational training, the number having completed vocational training and an estimate of the cost thereof.

Colonel Baker, Colonel Lambert, Mr. McDonagh, Mr. Harpham, Captain Givins and Captain Bowman were called, presented a submission on behalf of the National Council of Veterans Association in Canada, and were questioned thereon.

The delegation tabled the following documents which are printed as appendices to this day's minutes of evidence.

Proposal for the Establishment and Re-establishment of Veterans in Small Business. (*App. "A"*).

Brief submitted to Canadian Federation of Mayors and Municipalities by Canadian Corps Association on June 27, 1945. (*App. "B"*).

Brigadier Melville was called, questioned and retired.

At 1:15 o'clock p.m. the Committee adjourned until 2:15 o'clock this afternoon.

AFTERNOON SITTING

The Committee resumed at 2:15 o'clock p.m.

Mr. Nevins was called, questioned and retired.

The witnesses representing the National Council of Veterans Associations in Canada were questioned further and retired.

At 3:00 o'clock p.m., the Committee adjourned until Tuesday, November 6th, at 10:30 o'clock a.m.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
NOVEMBER 5, 1945

The Special Committee On Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item on the program is the report of the steering committee. They recommend that when we finish the War Service Grants Act as we hope to do tomorrow that we take next the Veterans Land Act, then the Veterans Rehabilitation Allowances Act, which embodies the post-discharge re-establishment provisions, and then thirdly the War Veterans Allowance Act. That is the report of the steering committee. I think we might well adopt it.

Mr. CROLL: I will move its adoption.

Mr. SINCLAIR: I will second that.

(Carried)

The CHAIRMAN: The next item on the program is the answer to a question which the deputy minister will put on the record.

Mr. WOODS: Mr. Chairman and gentlemen: Mr. Green asked for information as to the number of men attending courses and as to the number who had completed courses and as to the cost. I beg leave to table the following information.

Vocational Training

1. There are 5,057 veterans attending vocational training courses as at September 30, 1945.

2. As at September 30, 1945, 6,418 veterans had completed vocational training courses.

3. As at September 30, 1945, the total cost of training courses is \$2,713,536.43. This does not include cost of tuition and other expenses paid by Canadian vocational training division, Department of Labour.

4. Veterans are now attending over 100 schools and training centres, of which 31 are Canadian vocational training centres.

University Training

5. There were 1,994 veterans attending university training courses as at September 30, 1945.

6. As at September 30, 1945, 79 veterans had completed university training.

7. The total cost of training as at September 30, 1945 is \$1,082,150.56.

8. Veterans are now attending 28 different universities.

Information received from district offices indicates that 5,519 were in attendance in universities at the end of October, and it is expected that the number will greatly increase in November.

These figures are based on returns computed by the Department of Veterans Affairs Treasury Branch.

In connection with vocational training prior to June, 1945, the Canadian vocational training branch paid all training costs covering training in Canadian vocational training centres and also tuition costs where training was approved in private schools.

As from June, 1945, the procedure is that the Canadian vocational training pay training costs in connection with training in Canadian vocational training centres and the Department of Veterans Affairs pay all costs covering courses approved in other than Canadian vocational training centres.

Mr. BROOKS: In that connection is there a record of those who have completed their course of vocational training as to the number who have received jobs or appointments along the line of the training?

Mr. WOODS: Yes. The information will be available when the Act comes up as to the number who have been placed and as to the follow-up work that is being done with them.

The CHAIRMAN: Gentlemen, we are here this morning to hear a brief submitted by the National Council of Veteran Associations in Canada. Colonel Baker is in charge of the delegation which will submit the brief. Colonel Baker, O.B.E., M.C., Croix de Guerre, and LL.D., we have great pleasure now in calling on you to make the first submission and introduce the delegation.

Colonel BAKER: Mr. Chairman and gentlemen: With your kind permission I should like to propose that after a very few remarks from myself I be permitted to introduce Colonel Lambert to give you the introduction of the members of the delegation and then in turn we will call on Mr. Frank McDonagh, Colonel Lambert and Mr. Harpham to read the presentation. If that meets with your approval may I proceed?

The CHAIRMAN: That is fine.

Colonel BAKER: Then, may I take this opportunity to thank you and the members of this committee for your kindness in permitting us to be with you this morning. I appreciate the fact you have been very busy and that it was not possible to meet with us last Thursday morning, but we have a full attendance of our delegation this morning. Without any further remarks I will now call on Lt.-Col. the Rev. Sydney Lambert, O.B.E., the only president which the War Amputations Association has had since 1921, and chaplain of Christie Street Hospital, Department of Veterans Affairs. Colonel Lambert, would you please read the names of the delegation?

Colonel LAMBERT: Mr. Chairman, Colonel Baker, Mr. Deputy Minister and gentlemen: I am sorry that Eddie is not able to read this for us, but he, as you know, is secretary-treasurer of the Sir Arthur Pearson Association of War Blinded, and is also president of our National Council of Veteran Associations. He has asked me to introduce our delegation, a rather formidable one, I would say, to this group. Our only regret is that one of our number is not able to be with us today. I refer to the representative of the Army and Navy Veterans of Canada, Dr. Peter Mellon, their dominion secretary-treasurer. He is ill. There is another gentleman whom I thought I would mention here if I may, one who has appeared before every parliamentary committee ever since parliamentary committees for veterans have gathered together in all the years gone by. I refer to one whom I regret very much is not with us on account of his tremendous disability. I refer to Richard Myers, one of the most outstanding veteran movement gentlemen we have ever known. We were sorry to lose him. He was our star witness. If you wanted to know anything about pensions you asked not Walter Woods but Dick Myers.

I present to you with a great deal of pleasure the members of our delegation and would ask them to stand as I call their names. The first representative of the Canadian Corps Association is Mr. Stanley Harpham, dominion vice president, and the president of the Ontario command of the Canadian Corps Association. Next is Captain Dr. W. C. Givens, M.C., chairman of the pension committee of the Canadian Corps Association. With him is Major Edwin Meredith, honorary treasurer of the dominion command of the Canadian Corps Association.

The Canadian Pensioners Association of the great wars is represented by their dominion president, Mr. Frank G. J. McDonagh, and Captain T. E. Bowman, dominion treasurer. The Sir Arthur Pearson Association of War Blinded is represented by their president, Mr. W. C. Dies, who is not only blinded but also a war amputation. Captain F. J. L. Woodcock, first vice-president of the Sir Arthur Pearson Association of War Blinded; and our friend, Colonel Eddie, does not need any further introduction, Colonel E. A. Baker, O.B.E., M.C., Croix de Guerre and LL.D. Doctor Baker! That is the first time he has ever been called that.

Then there is the Army and Navy Veterans in Canada. As I told you Dr. Mellon is not able to be with us but Mr. J. Nevins, assistant dominion secretary is present with us.

Then there is our own little group, the War Amputations of Canada, with which it is my privilege to be associated in a very humble way. We have also brought with us Mr. Hubert S. Baxter, our honorary dominion secretary, and an imperial veteran, and Robert Wilson, our honorary dominion treasurer. I submit the names of the delegation here today and I present to you Mr. Frank G. J. McDonagh, president of the Canadian Pensioners Association who is to read the brief.

Mr. McDONAGH: Mr. Chairman and gentlemen: the membership of the National Council of Veteran Associations in Canada has already been read to you.

When considering the opinions and recommendations to be presented in this brief, it should be understood that they are the product of careful consideration and unanimous agreement by all five member organizations. Also, it should be kept in mind that the membership in each of our organizations comprises ex-servicemen of both the first and second great wars. Finally, the associations of War Amputations and War Blinded, as specific disability categories, bring to bear on all our discussions the intimate and well considered consensus of opinion of those seriously disabled through war wounds.

Hence, we present our views on provisions and procedures in respect to the various stages of demobilization and rehabilitation involved at discharge, during the physical rehabilitation period through hospitalization, compensation for residual disabilities incurred on service, the many provisions advancing education, the development of new skills through vocational training or the improvement and adaptation of those already possessed, settlement on the land or small holdings, and finally consideration of the immediate difficulties, housing, etc., so seriously affecting both the demobilized, and government provisions for their rehabilitation.

We believe that the House of Commons, representing the people of Canada, and the government which must accept the responsibility for giving effect to the will of parliament, may be fully depended upon to make provision for ex-service personnel as needs are understood and can be met. We realize that government provisions must be carefully administered by a responsible and experienced government agency. We wish to gratefully acknowledge the action of the government in co-ordinating most services for veterans in one department under one responsible minister. In association with the Canadian Legion, B.E.S.L., we have definitely objected to any re-allocation of treatment or any other services to any department of the government other than the Department of Veterans Affairs.

Our council as such, and executives of member associations of our council, fully concur in the view that it is our responsibility on behalf of the veteran in general to co-operate with the Department of Veterans Affairs to ensure the most effective and beneficial application of existing provisions and in the light of our experience to suggest and even press for adjustments of existing provisions or to propose additions in order to overcome existing difficulties, or to meet practical needs not already anticipated and in respect to which departmental author-

ity has been restricted by parliament. Hence with your leave we are before you to-day to present our considered opinions and recommendations on behalf of ex-servicemen in general and the disabled in particular.

1. *Clothing Allowances*

We strongly recommend that the clothing allowances for all members of the armed forces, discharged since the outbreak of war in September, 1939, and who have had overseas service, should be at the existing rate of \$100. We have advocated this policy since 1943.

2. *War Service Gratuity*

We strongly recommend that war service gratuity and re-establishment credit should be computed for the period of service dating from enlistment to the date of discharge for rehabilitation. (Treatment as defined in P.C. 4465 Class 2, paragraph 1.)

It is recognized that in some cases treatment is completed on strength, in hospitals conducted by the armed services. In other cases, a limited portion only of the hospital period is spent in armed services hospitals before discharge from the service to a Department of Veterans Affairs hospital for completion of treatment. Present practice is to compute war service gratuity and re-establishment credit only for the period dating from enlistment to date of discharge from the armed services.

3. *Medical Treatment*

(a) *Hospital accommodation:* We strongly urge that every effort be made by the government of Canada to provide adequate accommodation and suitably designed hospital units up to modern accepted standards. We do not understand all the reasons for delay in the building of necessary modern hospitals for the treatment of ex-service men, especially those of the recent war. The best hospital staffs in the world achieve better results under ideal conditions than otherwise. At the end of the first great war, with no previous experience to guide, there may have been some excuse for the opinion that veterans' hospitals would at most be temporary. Surely in the past thirty years we should have learned the fallacy of that view. In our opinion proper hospital accommodation for the treatment of our casualties of the recent war should take priority over all other building programs.

(b) *Medical Staff:* We strongly recommend that the Department of Veterans Affairs should be given the greatest possible freedom and authorization in selecting and maintaining medical staffs, of the highest possible standards for the treatment of all casualties and ex-service men in and out of hospitals. In this connection, we believe that apart from the administrative staff, it will be in the best interests of medical personnel and of the patients that permanent civil service appointments be avoided. We further believe that the closest possible co-operative relationships should be maintained between all departmental hospital units and the medical faculties of universities, which constitutes, perforce, the focal points of advanced thought and techniques in the medical profession. We have been encouraged by the outstanding evidence of the value of recent developments in modern medical science in the treatment of our war casualties. We are anxious that the most up-to-date developments should at all times be available to ensure the best possible service for those whose physical and mental rehabilitation is such a vital factor. We further urge that every attention be given to maintaining relationships between the patient and treatment staff on the same high plane as is the case with civilian patients in private hospitals.

(c) *Records*—We strongly urge that the files of each ex-service man, especially those who served in the first and recent great wars, should be reorganized so that one medical docket contains all medical documentations.

Men who have served in the first great war and who have required much treatment and other considerations have in a great many cases voluminous file records ranging from two to twenty volumes. Medical records are scattered throughout this vast conglomeration. When occasion requires medical consideration of the case, often under emergency conditions, the departmental medical officer or a specialist must wade through a vast amount of irrelevant material, if he wishes to be thorough in his review of the patient's history and avoid missing some essential item. In some cases it takes hours to make this thorough review. If all medical records were contained on the medical docket and attached to the latest volume of the man's file, the reference would be simplified; a great deal of time saved and a more understanding approach to the need of the patient would be possible. This applies particularly in the case of outstanding specialists whose services may be desired and who do not have the time to examine a voluminous collection of departmental files. This difficulty also will apply later in the event of consultants' opinion being required in respect to treatment for pension entitlement and so forth.

(d) *Medical treatment post-discharge*.—We strongly urge that ex-service personnel in their home communities should be free to choose a medical practitioner.

We have long objected to the departmental policy of selecting one doctor in a community to whom all veterans in the area must report in case of an emergency or ordinary treatment requirements. We feel very strongly that the department should complete an agreement with the Canadian Medical Association under which an adequate tariff of medical fees could be defined, and medical practitioners agreeing to the tariff should be listed on the treatment panel in each community. The ex-service men in each community and may then on enquiry ascertain the list of practitioners on the panel in his community and may then make his own choice. This practice would be of the greatest possible assistance, especially under present day conditions. Large numbers are being discharged in every district, all of whom are entitled to free treatment for any condition during the first post-discharge year. At the same time there is a dearth of medical services available throughout the country, due to so many of our medical practitioners being still on active service. This practice would relieve much of the congestion at department centres where available medical staffs are now almost hopelessly overloaded. Similar arrangements should be made in respect to dental treatment where ex-service men and members of the profession are labouring under equally serious difficulty.

4. *Pensions*

We again strongly urge that the term "pension" be eliminated from the Canadian Pension Act and that the term "war disability compensation" be substituted in the title and the word "compensation" be substituted in all cases for the term "pension" throughout the Act, and in procedure.

We urge this change because the word "pension" or "pensioner" carries with it the connotation of a hireling, a dependent, or of one in receipt of income as an act of grace. Employers often associate with the word an inferior status and governmental responsibility for support.

In the 1930's disabled veterans were discharged from jobs on the grounds that they were in receipt of pensions. It is difficult for the public, including employers, to discriminate between pensions as compensation and pensions as an act of grace. The latter are commonly known as "burnt-out pensions" (war veterans' allowances).

The payment of war disability compensation must always be treated as something separate and apart from any general social security program. War disability compensation must be understood to be what it really is: mainly an attempt at compensation by the country for a disability incurred by members of the armed forces while in the service of our country.

5. *War Disability Compensation (Pension)* which we refer to hereafter instead of using the word "pensions"—

(a) *Basic rates*—We recommend that the unemployable disabled man on war disability compensation shall be entitled to apply for war veterans' allowances subject to the condition that his compensation shall not be computed as income for purposes of such application.

In a number of cases disabled men have been unable to follow any kind of remunerative employment. Others have become unemployable due to age and other conditions for which they had no entitlement. During the depression period partially disabled men were in receipt of compensation equivalent to relief standards, but were unable to augment such to a reasonable living standard through employment or from any other source. We do not believe that such a condition should ever again be allowed to exist.

We have been confronted by numerous suggestions that the present basis of compensation is inadequate and that it should be increased. We are, however, more particularly interested in relieving the privations of those who are unable to supplement compensation, of whatever amount, to a reasonable standard than we are in enlarging the compensation for those who are able to earn a reasonable income apart from such compensation. We recognize the fact that the war veterans' allowance is now available as a generally accepted provision for those men who served in an active theatre of war, or may otherwise be eligible but who have no entitlement under the Canadian Pension Act. We also recognize the fact that the man who had entitlement in any degree usually suffers just as much the hardships and privations of his service. We therefore feel that while war veterans' allowance is an economic provision for the unemployable ex-service man in general, its benefits should be available to the injured or otherwise disabled ex-service man who cannot command a reasonable standard of living by any other means.

(b) *Multiple disabilities*: We strongly urge that in the case of multiple disabilities each distinct disability should be individually assessed and that, when totalled, compensation should be awarded to the full extent up to 100 per cent.

This will involve an amendment to the instructions referred to in section 24, sub-section 2 of the Canadian Pension Act which governs the application of the table of disabilities. When computing the pension entitlement of a multiple disability case in the past, the practice has been to assess the most serious one first and thereafter to assess others in order of importance on a successively reducing scale.

To illustrate, the following case is cited: Let us suppose that a man has become a casualty as a result of stepping on a mine in Italy. He has sustained severe injuries as follows:—

- Loss of a foot, for which the degree of assessment is 50 per cent.
- One arm severely injured, for which the degree of assessment is 40 per cent.
- One eye injured, for which the degree of assessment is 30 per cent.
- Back injury, for which the degree of assessment is 30 per cent.
- Nerve and heart disability, for which the degree of assessment is 20 per cent.

Taking these assessments as individual assessments, they add up to a total of 170 per cent but this degree of assessment is not granted. His pension is worked

out on the basis of the original assessment of the major injury in regard to the loss of a foot which is assessed at 50 per cent. He then receives entitlement according to the following schedule:—

For the loss of a foot he receives 50 per cent, leaving 50 per cent.

For the arm injury he receives 40 per cent of the remaining 50 per cent, i.e. 20 per cent, leaving 30 per cent.

For the eye injury he receives 30 per cent of the remaining 30 per cent, i.e. 9 per cent, leaving 21 per cent.

For the back injury he receives 30 per cent of the remaining 21 per cent, i.e. 6·3 per cent, leaving 14·7 per cent.

For the nerve and heart disability he receives 20 per cent of the remaining 14·7 per cent, i.e. 2·9 per cent, leaving 11·8 per cent.

Under the present system, entitlement equals only 88·2 per cent for disabilities that actually total 170 per cent. He cannot, under this system, ever receive 100 per cent, no matter how many disabilities he may have received on service. This procedure does not apply in the case of double amputation cases where, we believe, the pension commission some years ago decided that these cases were entitled to receive 100 per cent.

NOTE:—We are seriously concerned over the plight of multiple disability cases whose total of assessments range from 150 to 250 per cent. We have a number of these but felt that they might be dealt with under the heading of helplessness allowances.

Lieutenant-Colonel Lambert will take up the brief from here. We made a change of speakers because we thought you might get tired of hearing one voice.

Lieutenant-Colonel LAMBERT: The brief continues.

6. *Helplessness allowances.*

We strongly recommend that the maximum amount of helplessness allowances should be increased from the present \$750 to \$1,200 per annum, applicable to all ranks, and further that in cases of multiple disability where the total of individual assessments is substantially in excess of 100 per cent that the commission be instructed to make awards appropriate to the needs of the case.

Our reason for suggesting an increase for the maximum amount available for any one case is that under conditions of the present day, and as anticipated in the years to come, the present amount of \$750 is inadequate to secure capable assistance for the most serious cases of invalid disabled.

For multiple disability cases, referred to in a previous section where the total of individual assessment is substantially in excess of 100 per cent, we believe that assistance in keeping with the need of the case should be given. In this it should be remembered that the basic rate of the compensation for lieutenants and all ranks below is definitely limited to \$75 per month.

Every disabled man, especially those with disabilities rated 100 per cent, has the greatest possible sympathy for others who carry an equivalent disability, plus others which he considers even more serious. We pay tribute to the spirit and fortitude of many a man who has laboured under a heavy burden for many years. We are vitally concerned in relieving in so far as is possible his difficulties and especially the difficulties which will confront the serious multiple disability cases among the young men who served in this war. We think in all deference we may point out at this juncture that the disabled of the first great war, and of this war up to the present, have taken a most reasonable and stable point of view in that no demands for war bonus or increases in pension have been levelled at the government of this country. We believe, however, that consideration of the most seriously disabled in the group would meet with the general approval of the people of Canada.

7. *Deadlines Affecting Widows, Wives and Children.*

We strongly recommend

(a) The elimination of the deadline of April 1, 1944, affecting allowances for wives of disabled men of the first great war, married after that date.

(b) The elimination of the deadline of April 1, 1944, in respect to allowances for children of disabled men of the first great war, born after that date.

(c) The elimination of the deadline of April 1, 1944, in respect to widows of disabled men of the first great war whose marriages occurred after that date, subject to the necessary regulation establishing the bona fide of marriage.

Deadlines in respect to wives and children as of May, 1933 were established as an economy measure. Considerable hardship and discontent resulted. In view of representations of veteran organizations and a sympathetic conviction of the government and administration, these deadlines were eventually advanced to April 1, 1944, with no retroactive payment. We submit that there would appear to be no practical purpose to be served by the retention of these restrictions and, in fact, it is highly desirable that these discriminations should now be eliminated, thus bringing the rights of the disabled of the first great war into line with the provisions for those who served in the second great war.

With reference to the deadline on the pension eligibility of widows we always contended that a fixed deadline created hardships and served no good purpose. We have always agreed with the principle of protecting this country against the danger of "death bed" marriages. We therefor suggest that the elimination of this deadline should be accomplished by appropriate regulations.

8. *Allowances for Widows with Children*

We strongly recommend that the allowances payable for children dependent upon any ex-service man's widow entitled to pension should be reviewed and increased at least to the amounts now payable under orphan rates.

In this connection we have been unable to reconcile in our minds the thought that a widow on a limited pension income of \$60 per month can properly maintain and educate her children on the children's allowances which amount to one-half the rates now applicable to orphans.

9. *Section 11(3) Canadian Pension Act*

We recommend that once hardship has been established in such claims the award of pension thereafter be relieved from the means' test disturbance.

In 1941 the Canadian Pension Act was amended to withdraw the insurance principle in respect to claims of certain types of accident and illness cases having service in Canada only. In view of the strongly expressed feeling that death and serious permanent injury claims involving hardship should receive consideration, the government of Canada in its wisdom, introduced section 11(3) in the Canadian Pension Act. The application of this section was more limited at first than at present but throughout it has been the practice to maintain surveillance over all cases in which such awards have been made to determine if and when at any time earnings or other income exceeded the narrow limit.

In practice the rate of pension allowed under this section is substantially below the rate which is allowed for comparable disability accepted under section 11 (1).

We believe that the disturbance of mind and insecurity felt by cases whose awards are made under this section should be relieved and occupation, where possible, thereby encouraged.

10. *Veterans' Bureau*

We strongly recommend that the Veterans' Bureau should be an independent commission having authority and freedom equivalent to that enjoyed by the Canadian Pension Commission.

We submit that the Veterans' Bureau should be placed under a separate commission, similar in freedom and status to the Canadian Pension Commission, or the Civil Service Commission so that it will be free from what might be considered departmental influence or direction. We further suggest that the chief pensions advocate shall have powers suitable to his position and equal to the power of the chairman of the Canadian Pension Commission, and we further suggest that the office of travelling inspector of the Veterans' Bureau be filled by a full-time advocate, in order that he may exercise constant supervision over the work and preparation of cases in the district offices of the bureau.

11. *Workmen's Compensation Payments*

(Order in Council 102-3375 May 3, 1944)

We strongly recommend that the restrictions placed on workmen's compensation awarded to a partially war-disabled case should be eliminated.

Under the above-mentioned order in Council, it is provided that the war disability compensation maximum rate shall be an over-all limiting factor in respect to workmen's compensation awards. The government of Canada is primarily responsible for the rehabilitation of casualties. This includes treatment training, and all other means calculated to place the disabled individual back into the social and economic life of his community. During the rehabilitation of the more seriously disabled of the first great war, it was found that there was throughout the country a prejudice, especially in the minds of industrial employers, against the employment of the more obviously seriously handicapped, on the grounds that such men might be more subject to industrial accidents. In order to overcome this prejudice the Department of Soldiers' Civil Re-establishment made agreements with provincial workmen's compensation boards and other equivalent agencies and undertook to assume compensation responsibilities in the case of the more seriously disabled. War disability compensation is based on loss of earning capacity in the general labour market. On the other hand, workmen's compensation is based on an average of earnings for a given period prior to accident. In the case of the rehabilitated man there is surely no relationship between the basis of his war disability compensation in the general labour market and workmen's compensation which is dependent on earnings as the results of acquired skills. Therefore we submit that it is an unfortunate discrimination that deprives the ex-service man of the compensation to which he would otherwise be entitled. We must also remember that workmen's compensation is subject to contributions from the employer only and therefore involves a contractual obligation. Section 24, subsection 4 of the Canadian Pension Act provides:—

No deduction shall be made from the pension of any member of the forces owing to his having undertaken work or perfected himself in some form of industry.

We suggest that the limitation above referred to has the effect either of reducing the rights of the man in respect to compensation or alternatively his pension contrary to the subsection just quoted.

12. *War Disability Compensation (Pension) Use of Information*

We strongly object to the practice of disclosing information on the rates of war disability compensation in the case of any ex-service man to any persons where the use or consideration of such information may prove to be to the detriment of such ex-service man.

In the past years we have experienced tabulation of the war disability compensation rates, applicable to ex-service men, in employment in governmental departments and in employment in large corporations both in industry and

business. In Selective Service forms specific questions are asked concerning war service and disability compensation. Provincial and municipal government applications for employment contain questions of a similar nature. We can understand the desire of any employer to secure information as to the physical capacities of a prospective employee, in order to determine whether he would be physically or mentally capable of doing the work in prospect. On the other hand, we object to the suggestion that the employer has any more right to information in respect to war disability compensation than he has to information on workmen's compensation private income or personal assets.

13. *Education*

We recommend that in respect to allowances to ex-service men undergoing special university or vocational courses that consideration be given to some hardships being experienced in some of the larger centres owing to housing difficulties and high cost of living.

We have received indications that in some centres considerable difficulty is being experienced by university and special vocational students in securing accommodation and board within the scale of rates available. This problem will be greatly accentuated in the case of those who continue into the second and subsequent years of their courses and will then have no savings or gratuities from which to supplement this income. We suggest that in giving consideration to this problem, which would appear to be more serious in some centres than in others, that possibly this is a matter which should be the subject of discussion at the dominion-provincial conference with a view to seeking provincial co-operation where warranted.

14. *Training Allowances (Post-Discharge Re-establishment Order)*

We recommend consideration by the Department of Veterans Affairs under section 15 of the Canadian Pension Act which states:

The occupation or income or condition in life of a person previous to his becoming a member of the forces shall not in any way affect the amount of pension awarded to or in respect of him.

And section 20, subsection 3:

No pension shall be assigned, charged, attached, anticipated, commuted or given as security, and the commission may, in its discretion, refuse to recognize any power of attorney granted by a pensioner with reference to the payment of his pension.

Under the provisions of the present training allowance scheme the disabled ex-service man is required to utilize his war disability compensation to meet a substantial amount of the cost of any educational or vocational training course which he may undertake in order to fit himself for occupation or employment. While it may be argued that he is not an employee in the full sense of the term, we are seriously concerned over the example which is being set by the government.

I now present Mr. Harpham who will continue.

Mr. Stanley HARPHAM: The brief continues as follows:

15. *Assistance for Small Businesses*

We recommend that consideration be given to the development of a small business act under the provisions of which the discharged ex-service man who does not wish to make application for an educational or training course, or consideration under the Veterans' Land Act, may receive assistance supplementary to his re-establishment credit, subject to necessary safeguards for the man and government of Canada.

We have realized that there is a group of ex-service men who may not have the inclination, or experience, to take advantage of the Veterans' Land Act, or to continue education, or to take up vocational training, but who are anxious to settle down in some one of a large variety of business undertakings. These men at the present time may receive no consideration or assistance beyond that which may be available through their relatively more limited re-establishment credit. While we recognize the difficulties in the way of making adequate provision for the great variety of cases involved, we do feel that every effort should be made to provide opportunities to men in this group reasonably equivalent to those enjoyed by men in other groups. We are strongly impressed with the desirability of maintaining and encouraging the small business in our economic scheme. We know of no more deserving group than ex-service personnel to be encouraged in this field.

NOTE: Attached hereto as Appendix A will be found the recommendations of the Toronto Reconstruction Council.

I may say that there is only one copy of that and it is in the hands of the chairman. I understand he is going to arrange for its distribution.

The CHAIRMAN: We shall table it and have it printed in the record.

(Recommendations of Toronto Reconstruction Council appear as Appendix A)

16. *Dual Service Pensions*

We recommend that those men of the Veterans' Guard of this war, who have served at home or abroad, both in the first and in the second great wars, shall have their service period totalled and shall be eligible for a service pension as in effect for the permanent force, subject to similar conditions that active service in war time shall be rated as double time.

We all realize that these men have in many cases had up to eleven year's active service and that they volunteered to serve in the Veterans' Guard in Canada during the second great war on the urgent appeal of the government and the people of Canada. These men are being discharged from the Veterans' Guard at a time when they are 50 to 65 years of age and in many cases they will have little chance of taking advantage of re-establishment provisions. It is suggested that in all fairness these men should not be overlooked or penalized for having spent so great a portion of their active lives in the service of our country but should be eligible to receive a pension by right of such service.

17. *Housing*

We strongly recommend that the government of Canada should utilize every possible practical avenue for providing rental housing for ex-service men and their dependents, especially in the larger centres where housing shortages were critical even before demobilization began and under present conditions actually jeopardize the success of rehabilitation provisions of such ex-service men; and further, that the government should also take immediate steps to utilize or develop temporary emergency housing provision to relieve in some measure the general housing problem of ex-service men.

We have been impressed with the trend of housing shortage which has been going on since 1940. First, the shortage arose because of the transfer of workers due to wartime industry. Second, to this difficulty was added shortage of material and labour for the building of housing accommodation. Next, the abnormal increase in wartime marriages and consequent desire to establish homes. Finally, the aforementioned shortages have not been met but have been actually increasingly aggravated until, at the present time, due to rapid demobilization, the whole situation becomes exceedingly acute.

We are familiar with and endorse the recommendations of the Canadian Corps Association in their brief to the Canadian Federation of Mayors and Municipalities and it is here presented as Appendix "B".

The CHAIRMAN: On that point, this appendix consists of eight pages. I suppose we will have that go in the record?

Mr. MUTCH: We have all got copies.

The CHAIRMAN: I have not had a chance to look over it to see whether it is of sufficient general interest that it might go out to the people who are taking this record.

Mr. MUTCH: Could it not be tabled without being read?

The CHAIRMAN: It will not be read, but the question is should it go on the record for those who are following it throughout the country?

Mr. GREEN: Oh, I would think so.

The CHAIRMAN: There is a motion to the effect that it be tabled and printed.

(Recommendations of Canadian Corps Association appear as Appendix "B")

Mr. HARPAM: We believe that young men, who are forced by circumstances to take their education or vocational training in one of our larger centres, should not have to purchase homes at high prices and thus imperil their savings, war service gratuities and re-establishment credits often with little hope of realizing anything like the value of their equities. This housing problem has already discouraged many ex-service men from taking advantage of government re-establishment provisions, and in other cases has led them into housing investments which will be subject to very serious discount by the time they have finished their courses. We are anxious that our service men should not only benefit to the fullest extent from the generous rehabilitation provision which Canada has made available, but that they should be protected against the unfortunate consequences of a condition which has arisen due to wartime exigencies and during their absence on service.

We are also familiar with discussions which have occurred in respect to the possibility of the National House Builders Association undertaking active building under an arrangement with the government for rental purposes during this emergency. We urge that the government investigate this proposal as a means of securing more rental accommodation to help solve the present housing crisis.

18. *Seniority with Respect to Labour Agreements*

We strongly recommend that the government take steps to ensure that all veterans who will at any time be operating under collective bargaining agreements will receive credit for seniority purposes on account of time spent on active service.

The government is encouraging vocational training which will lead to employment in trades where union agreements are in effect. Unless some steps are taken to protect seniority no security of employment can be ensured.

From the foregoing presentation it will be noted that we have limited our proposals to certain specific items which in the light of information at hand appeared to be most pressing. These representations are based on existing resolutions from conventions of our member associations, modified in some cases for purposes of inclusion in this presentation. In other cases urgent needs which have arisen since any of our associations last had a convention have been the subject of general discussion and agreement, both as to the necessity for presentation at this time and the recommendations or opinions offered.

At this point we wish to commend the Honourable Ian Mackenzie, Minister of Veterans Affairs; Mr. Walter Woods, Deputy Minister of the Department of Veterans Affairs; and Brigadier James Melville, Chairman of the Canadian Pension Commission especially for the explanatory statements made to the committee. Speaking from experience we are impressed with the sense of responsibilities and the sympathetic interest of all senior experienced officials of the department in respect to the problems of both the disabled and non-disabled ex-servicemen. We realize that some of the difficulties which the department must contend with to-day are in substantial part the product of short-sighted policies of the past. This is particularly applicable in respect to hospital accommodation. We also realize that immense difficulties have been experienced in procuring and training additional staffs in both the treatment and rehabilitation programs. We have criticized, and will continue to do so until the needs have, in our opinion, been adequately and satisfactorily met. We are also equally prepared to commend efforts which have been thus far made, and achievements to date. Finally, we are depending on you, the members of this committee, to understand our point of view and our anxieties. You are not only responsible to your constituencies, but by virtue of your appointment on this committee you are as well responsible to the whole of Canada for recommendations calculated to promote and perfect all reasonable services and provisions necessary to implement the pledges of Canada and Canadians to that gallant body of men and women who risked their lives on our behalf. You too have had experience on the battlefield, on the high seas and in the air. We believe that you will recognize and that you will convince the parliament of Canada that, in all fairness, the needs of ex-servicemen in general and of the disabled in particular, representing as they do the select group of the young manhood and womanhood of this country, should take the highest possible priority that this country can give in the solution of their problems. We pledge our fullest co-operation, and extend our most sincere best wishes to you in your deliberations.

Colonel BAKER: Mr. Chairman, may I ask your kind permission to have Mr. McDonagh present one further item which we did not get into this presentation. It was drafted in a hurry. I should like to have permission to have him present that now as a part of the brief agreed to by the council as a whole.

Mr. McDONAGH: We regret we have not sufficient copies of this.

We would direct the attention of the committee to two technical points which we feel need clarification in pension procedure.

1. When the quorum as a second court was abandoned in 1939 in favour of the second application to Canadian Pension Commission, there were in the hands of veterans bureau thousands of quorum rejections, both registered for appeal and not registered. Sections 60 (1) and 60 (2) were designed to channel such cases into the new appeal board of the commission. They were enabling or facilitatory sections, not restrictive ones. The ninety day limitation in Section 60 (2) was not new—it began with the tribunal in 1930. They dealt with cases in which "right of appeal" existed.

The amended Act of 1939 failed, probably inadvertently, to make provision for "leave to re-open" (as distinct from "right of appeal") for tribunal and or quorum adverse rulings. "Leave to re-open" applies to cases in which right is exhausted.

To-day it presents the following anomalous situation:

1. Leave to re-open in tribunal and quorum rejections was not provided for after 1939.

2. Leave to re-open in Federal Appeal Board cases existed until two years later, although the F.A.B. pre-existed both tribunal and quorum.

3. There has been no stoppage of "leave to re-open" in British Pension Commission, Canadian Pension Commission, or appeal court, although these courts pre-existed the end of the quorum by several years.

4. Leave to re-open has never been qualified by a time restriction.

To put it simply, the Pension Act has failed since 1939 for "leave to re-open" in Federal Appeal Board (1941) tribunal, and or quorum rejection cases.

We submit that in war disability compensation cases, there is always the possibility of discovery of new evidence which may not have been known or available at the time of the so-called final hearing. Also in view of the progress of medical science it may subsequently be shown that an error may have been innocently made, which may have deprived a man of entitlement which would have been granted if the evidence or new knowledge had been available. This submission is not made to allow further right of appeal, but to see that there is an opportunity at all times for leave to re-open in order to assist and protect the man who has had active service.

2. In Order in Council P.C. 9553 dated December 27, 1944, there is a limitation which should be removed as it may seriously affect men who served in the recent war.

Paragraph 5 of the said Order in Council reads "The commission may, in its discretion, entertain a further application in respect of any injury or disease resulting in disability, prior to an application for a hearing by an appeal board of the commission, but after a hearing by an appeal board, *the commission may entertain no further application in respect of any injury or disease whatsoever*, subject however, to the provisions of sub-section 4 of Section 57 of the Pension Act respecting leave to re-open an application in certain instances."

In effect, paragraph 5 prohibits an applicant for entitlement for a service connected disability, if application has not been made at the time set out in paragraph 5. It may be, and experience shows that it can be, that there may be one or more service connected disabilities which have not become evident at the time of the hearing by the appeal board of the commission.

There is a further presentation from the Canadian Pensioners' Association of the Great Wars.

The Canadian Pensioners Association of the great wars support the presentation just submitted to you by The National Council of Veteran Associations in Canada and wish at this time to direct your attention to a group of both wars, comparatively small in number, whom, we feel, are in need of special attention by the committee.

We believe that we are stating the understanding of the Canadian people when we say that if a man has suffered such grave disability on active service for Canada that the Canadian Pension Commission finds it necessary to award him pension (compensation) at the rate of 100%, that the Canadian people expect that such award will not place him in or near to the indigent class economically.

The single man—lieutenant and all ranks below—whose disabilities have been assessed at 100% receives \$75 a month. The married man in the same group receives in addition allowances which may increase or decrease, but the basic rate of \$75 a month applies.

At page 42 of the minutes of proceedings and evidence of this committee, The honourable the minister is reported to have said "Our regulations with regard to free treatment assume that any man whose income is less than \$100 a month is unable to provide hospital and medical services at his own expense. The Bureau of Statistics reports that approximately 70 per cent of male workers in Canada earn less than \$1,250 a year".

We appreciate that the 100 per cent pensioner may, if he is able, augment his income, but we submit that many in the 100 per cent group are unable to do so. These men, above all others, should not be placed by Canada in the position

whereby they must apply for a charity grant in order that they may have some of the creature comforts of the Canadian way of life. To Canada, in her time of need, they gave a square deal, and from Canada, in their time of need, they are entitled to a square deal, not charity.

Throughout the six long years of war, they have borne the extra expense of living mainly in silence. To them came no increase or cost of living bonus.

We direct the attention of the members of this committee to the plight of these men in the period that lies ahead when the immediate cost of living to them is bound to increase, and recommend that they be given a supplementary increase in the basic rate, and thus help Canada to partially pay its debt to these men whose disabilities, in the service of Canada, have been found to be 100 per cent.

The CHAIRMAN: Are there any questions which members of the committee would like to ask the representatives of this delegation?

Mr. ASHBY: Mr. Chairman, I should like to ask these gentlemen if they think \$1,200 is enough for a man with 100 per cent disability? That means that he has to put up with just about poverty. Don't think for one moment that giving these men money means that we are going to be poorer ourselves. I heard one man make a remark that he doubts if we could afford it. Well look at the stores. As long as we have food for sale, and clothing for sale; as long as there is lumber and everything else for sale, I say let the boys have all they require. Don't be stingy and keep it down to \$1,200. I would say \$2,500 at least for a man who is disabled. I notice again here that you speak of unemployment, or of the difficulty of these men obtaining employment. We do not need these men to be employed at all. Work is a means to an end; it is not an end in itself; and yet we appear to be thinking that it is necessary that these men be employed, that they find some means or other of earning their living. I think they have already earned their living, and I would strike out everything about being employed. We have plenty of other help, younger men coming along, and if we haven't we will invent machines to do the work for them.

The CHAIRMAN: Did you wish to ask a question? I understood you were going to ask a question, Mr. Ashby?

Mr. ASHBY: I had a question here; why have these men work?

Lieutenant Colonel BAKER: May I reply to that, Mr. Chairman?

The CHAIRMAN: Certainly, Colonel Baker.

Colonel BAKER: Mr. Chairman, and gentlemen, I think probably one of the most severe difficulties seriously disabled men have to confront is that of idleness. It is all very well for a chap who is able to wander off into the highways and byways, fishing and doing as he darn well pleases; but the chap who is disabled is prohibited from doing some of these things. No matter how generous the allowance may be, it is not good for such a person to sit idle, twiddling his thumbs. We have the argument always from the outside that it does not matter how much the disability, if a man is able to work he should be given an opportunity to work, and provided with every possible privilege and assistance to work, because of the interest that comes through occupation and the satisfaction and self-respect that comes from feeling that he is still something of an economic unit in his community.

The CHAIRMAN: Hear, hear.

Mr. ASHBY: I did not suggest that he should be kept from working. I doubt very much if a man can be kept idle, he will find his own employment.

Mr. CROLL: Mr. Chairman, may I have the privilege of asking a question; but before doing so I should like to pay a deserved compliment to the men who prepared this brief, because it is not only concise and clear and intelligently drawn, but presented in the same manner. Unfortunately, though intelligently

and well presented and drawn there is one item that I do not understand, and I believe it is my fault rather than theirs. May I call attention to section 14. I do not know exactly what you mean by the last two lines there:

While it may be argued that he is not an employee in the full sense of the term, we are seriously concerned over the example which is being set by the government.

What is the reference?

Mr. McDONAGH: The reference there, Mr. Chairman and gentlemen, is when a man is in receipt of disability pension and takes vocational training he pays for his training out of his pension in a sliding scale; in effect that is what the sliding scale does for the pensioner.

Mr. GREEN: He does not get the full amount.

Mr. McDONAGH: He does not get the full allowance. He is penalized because of his disability for which the country is paying him compensation; and we did not know whether or not the Department of Veterans Affairs was considering this amount in the compensation of the employee to provide a loophole in the regulation which they have made in regard to war disability compensation matters. Does that explain it?

Mr. CROLL: Yes.

Mr. QUELCH: Mr. Chairman, on page 13, section 15, there is reference to assistance for small business. I wonder if some member of the delegation would expand on that a little bit. Have you in mind an Act separate to the Veterans' Land Act being made available to men who wish to set up a small business of their own? That is to say, do you propose that they should receive a certain amount of money, part of which should be an outright grant and the balance repayable over a period of time?

Colonel BAKER: I would ask Major Meredith to answer that.

Major MEREDITH: There was a submission made by the Toronto Reconstruction Council in connection with the Small Business Act and it is considered that while provision has been made for farmers, for men to go on the farm and be established on the farm, a similar provision has not been made for a group which is equal in number, that is the number of men who wish to engage in individual private business; and it is a matter which will require a lot of consideration and a lot of thought in much the same way as the Veterans' Land Act has been treated. There should be a similar Act to provide facilities for setting a man up in individual business.

Mr. ISNOR: Would it be necessary for them to be qualified and to have experience?

Major MEREDITH: Yes, they would have to have that, surely. It was contemplated that various business organizations would co-operate with the government in the setting up of these controls and help the chap to get established. They must be sound, absolutely sound controls all the way through from the standpoint of both business and banking.

Mr. QUELCH: I was wondering if adequate consideration had been given to that point. I remember that this matter was raised a year or so ago, and I think it was up last year in committee, and it was said that consideration should be given to that matter. Does the minister (Hon. Mr. Mackenzie) consider that the re-establishment credit has taken care of this, or should some other provision be made with respect to it?

The CHAIRMAN: It is still being considered.

Mr. MUTCH: With respect to section 16 on page 13, I notice that you have a recommendation with respect to members of the Veterans' Guard who have served in both wars. Was it the intention of the people making this representa-

tion that there should be discrimination in treatment given with respect to veterans of both wars who served in the Veterans' Guard as compared with men who served in both wars in other branches of the service?

Mr. HARPHAM: Our idea of the service pension was this: Many men saw service in the last war and this war, and we count active service as payable. These men are going to be one of the biggest problems for employment and we feel that they have some right to pension. Canada wanted them when we had the prisoners to guard and they fell in nobly; and we think, sir, that they are entitled to certain consideration as regards pensions where they have become unemployable, and we consider that a great many of them will become unemployable.

The CHAIRMAN: I do not think you understood the question. The question was, would you treat those who went into the Veterans' guard differently from those who went into the other branches of the service in this war who were also veterans of the first great war?

Mr. HARPHAM: That is a point we have not thought a great deal on, but we have thought a great deal of these men of the Veterans' Guard because they represented a class that in a great many cases have not had much in the way of employment; even during the period before the depression, they were problem men.

Mr. CROLL: You would not say that a man who went into active service would get less than the others, those of the Veterans' Guard?

Mr. HARPHAM: Certainly not, sir. We are pleading for them because a lot of these men deserve pensions from this war.

Mr. MUTCH: When you asked the question I had in mind whether or not you were going to exclude the senior N.C.O's and army service corps personnel. I think we have quite a number of them who did a splendid job. Some of them, quite frankly, are old men. Your delegation is here and it occurred to me that I should ask whether or not they are being excluded. Apparently you are only dealing with a narrower group but the larger group which is found in the Veteran's Guard.

Colonel BAKER: Although this recommendation was made to draw attention to this group with dual service, I do not think there is any intention of discriminating unfairly. It was merely to emphasize the character of the service that the Veterans' Guard were chosen, but I think it is intended to cover all dual service personnel.

Mr. MACDONALD: But a special case has been made out for the Veteran's Guard.

Colonel BAKER: Yes.

Mr. McKAY: I wonder if those gentlemen are prepared to tell us the reason why the government is not prepared to extend loans to service personnel going into small business. I think they might qualify that point. I was a service personnel counsellor in the air force and I can say that we had a good many applicants who wished to establish small businesses. We were led to believe that the reason for the government not extending the same provisions as are provided under the Veterans' Land Act to such persons was that the banks were prepared to finance this proposition. I wonder if Mr. Woods could clarify that point for us?

The CHAIRMAN: Do you want to answer that, Mr. Woods?

Mr. WOODS: I am afraid as an administrative officer I cannot give you the reason why the provision has not yet been made for loans to those who wish to establish themselves in a profession or private business. I can only say it is a matter which received very thorough discussion. Then the War Service

Grants Act was enacted giving such men a re-establishment credit. As the chairman has stated this morning, the question as to whether loan facilities in addition to the credit shall be extended is a matter still under consideration by the government. I cannot go any further than that.

Mr. ASHBY: May I direct attention to page 10, section 10, Veterans' Bureau? No one knows more than the men themselves what they want. Would you gentlemen be prepared to appoint your own chief pension advocate and your own travelling inspector of the Pensions Bureau? It is up to us to give you the results you want.

Mr. McDONAGH: In answer to that question, while we would like to advise the committee and advise the government, we do not feel that it is our responsibility to appoint administrative officers who are responsible to the government rather than to us. Certainly we do feel that the Veterans' Bureau might be independent, which it is not now in that it is part of the department and is subject to a great deal of criticism and lack of confidence on the part of the men who have to use it; and we feel that if it were set up as a separate commission the government or the minister would have to accept the responsibility for the payment of the cost—it is paid out of public funds—and we feel that it should have the same freedom as the pension commission enjoys so that the men may have confidence in it, which was intended when it was first set up.

Mr. BROOKS: In connection with education, I was interested in this paragraph because we all know that the cost of education to the men who are taking university courses has been greatly increased by board and lodging; I think it runs as high as \$15 to \$16 a week, but \$60 for the student seems very little compared with the cost. Now, the recommendation here says, "possibly this is a matter which should be the subject of discussion at the dominion-provincial conference with a view to seeking provincial co-operation where warranted." I would like to ask just what co-operation you had in mind; was it a matter of providing mess halls in these localities or sleeping accommodation; or, just what they did have in mind?

Mr. HARPAM: Mr. Chairman and gentlemen, that might cover all your points. In other words, we know that next year and in the years to come these men are going to have no gratuity left and as education is a provincial matter our suggestion was that it should come up for discussion at the forthcoming dominion-provincial conference. That is one recommendation as to how this could be handled. We have not given it much thought yet, but we would say this that it would be better in our opinion to deal with it by a grant based on a man's condition.

Mr. BROOKS: And you feel that the grant now being made is too small or the charge for board and lodging is too high; in any event, the grant is not sufficient?

Mr. HARPAM: The cost of living may go down—that we do not know—but we do feel that there will be some difficulties; in fact there are now and there will be more next year and the year after.

Mr. PEARKES: I was going to ask the same question Mr. Mutch did, as to whether that reference to Veterans Guard included the larger number of men, the veterans of the first war who served in the second war as well. However, as that has been cleared up, the point I want to ask about is the reference to being "eligible for a service pension as in effect for the permanent force." The statement was made that service overseas counted double towards pension. I do not think that statement is correct. I should like to ask if it is; because if it is not, "service pension as in effect for the permanent force" would not apply to these veterans because the permanent force man has to serve 20 years before he is eligible for a pension. I do not think service overseas counts double.

The CHAIRMAN: It counts double for getting medals and decorations.

Mr. PEARKES: But not for pension.

Mr. MUTCH: Not for pension. Thank goodness it does not.

Mr. CROLL: I have one question with regard to page 3, dealing with medical treatment. I am particularly referring to the sentence, "In this connection, we believe that apart from the administrative staff, it will be in the best interests of medical personnel and of the patients that permanent civil service appointments be avoided." I think I know what they have in the back of their minds; but on the other hand I thought the recommendation would have been more forceful if they had suggested outright that salaries be increased for these men so that you can then attract the kind of men you want for the job. But I do think that security which they get from the civil service is something that the men look forward to; and to deprive them of that would, I think, hurt the cause rather than advance it. I do not know whether they had that in mind; but I should like to hear what Colonel Baker has to say about it if that is his section, or from Mr. McDonagh if it is his section.

Colonel BAKER: I may say we have no thought of doing an injustice to the medical profession, because we appreciate what they have done for most of us. We are, however, very keen to see that the best possible service is maintained throughout the hospitals. The question which you have raised is quite pertinent. The matter of salaries to the members of the medical profession who have been serving in departmental hospitals throughout this dominion have been the subject of recommendations from our individual organizations on a number of occasions in the past; and we have always wholeheartedly supported more adequate remuneration, believing that, generally speaking, the rates of pay for departmental medical staffs were too low. We believe that it is not fair to expect men to serve for the honour of it in the department, without being paid adequately for it. I should like to ask, with your permission, that Dr. Givens should comment on this point you have raised. I think it is very important to us.

The CHAIRMAN: Very well, Dr. Givens. I should like to ask you to come up closer to the table because the reporter may have difficulty in hearing what you say unless you do.

Dr. GIVENS: I am sure that over a period of years a great many men might have been taken into the various departments of the government, not only in veterans affairs but other departments, if the medical man had been adequately paid. There is no question of doubt that the men who are practising in general practice—I mean as general practitioners or as specialists in various branches of medicine—have made many times the amount that the government has seen fit to pay medical officers. Consequently in certain cases you have received men into the service who have been disabled, who have only been able to work from 9 to 5 or part time. There was one attraction, probably for these men, and that is that they were able to work out their retirement by being members of the civil service. But generally speaking, you cannot get a man who is earning \$10,000 to \$20,000 or more a year to work for a salary of \$4,000, roughly, for the government.

The CHAIRMAN: Then what you had in mind in this brief, just to clear it up, is this. I understood what you were getting at was that the government should work out some system to get the benefit of these specialists by liaison with universities—that is with the medical schools.

Dr. GIVENS: Surely.

The CHAIRMAN: And so on?

Dr. GIVENS: Yes. But you have to "up" your financial inducements to do it.

The CHAIRMAN: Yes. You would not get a man to give up a specialist's practice in connection perhaps with some big hospital, to go into the civil service on any grounds, would you?

Dr. GIVENS: No. But he might be used as a consultant on a part-time basis.

The CHAIRMAN: That is what you really meant to say, that you should avail yourselves of the services of specialists rather than trying to get them into the civil service.

Dr. GIVENS: Yes.

Mr. CROLL: No. I do not agree with you at all, Mr. Chairman, and I do not think the gentlemen will agree. I think what they want, and what they have not said here, is that they want a better calibre of medical man in the service; and the only way you will attract him is to pay him what he is worth or approximately what he is worth in addition to his security. The kind of man they have at the present time in the general hospitals as specialists are excellent and they can be in a consulting capacity. That is one type of man. But the other type of man is the one to whom we have, in the past, paid \$4,000 a year, which is not very much for a doctor under any circumstances if he is worth anything at all. Consequently, if we are to attract the kind of man we want—and the assumption is that we attract the best there is in the field—we have got to pay him a great deal more money than he is getting at the present time. We have got to face it or we are not going to get him.

The CHAIRMAN: I was trying to find out what they meant by permanent civil service appointments. If there is some difference about what is meant by the brief. I think the people to clear it up are the people who submitted it.

Mr. McDONAGH: There is no question about what we meant. I think Col. Croll stated it quite correctly. We do not wish to detract at all from the doctors who have given such splendid service in the past 25 years for our generation, under financial handicap. We want the men in this war to get the best medical men there are in Canada; and in our opinion they cannot get the best medical men by paying them \$4,000 and having them in the civil service in departmental hospitals. We do feel that the salaries must be "upped". Carrying the suggestion further, we can see no reason why, at every 5-year period, the staff of D.V.A. hospitals should not be examined as to their fitness to continue as medical officers in the hospitals. If I might paraphrase the whole thing very succinctly, it would be to say this, that we want the men to receive, in a D.V.A. hospital, the same courtesy, care and proper treatment that he would receive in a private patients' pavillion. The story was illustrated a short time ago in the attitude of a man reporting sick over in Germany. After the medical officer examined him he said, "Private Jones, would you have come to me in civil life with such a trivial complaint as you have come with this morning?" Private Jones looked at him and said, "No, sir. I would have sent for you."

Mr. MUTCH: Mr. Chairman—

The CHAIRMAN: Mr. Herridge has the floor.

Mr. HERRIDGE: Was Mr. Mutch going to ask a question on this subject?

Mr. MUTCH: I was, but that is all right.

The CHAIRMAN: Mr. Herridge has tried to get the floor three or four times.

Mr. HERRIDGE: That is all right. Go ahead, Mr. Mutch.

Mr. MUTCH: I was going to say that I think there is some lack of frankness on the part of this brief in respect to this. If I am not wrong in my interpretation of what is said there, there is some degree of reflection on the type of service which has been had; and we are saying that because of the fact that the salary was small—by implication at least it is what we are saying—we are attracting to the service men who have looked to the security which was available for them. To suggest that under that system, whatever you make the salary, it will improve; and that if you make the salary higher, you have a sort of 5-year check on a man's capabilities—a man who is, in effect, a permanent civil servant—is impossible in practice, because by the end of 5 years or a lesser

period he has a vested interest in the one thing which probably took him in there. One of two things took many people into many civil service jobs, medical and otherwise. One was the lack of employment and the other was security. You have the same thing happening in these isolated cases which occur that you have in all branches of the civil service; some amiable chap being put in a corner someplace where he will do the least possible harm until he works out the rest of his superannuation. If I understand the brief, and what it implies rather than what it says, it is that we should not so much raise the salaries of the people that we attract in that way but rather, by eliminating that practice of creating a vested interest in the job, make available to the soldier the best talents available. If that is what they mean, I wish they would say so. That is the way I interpret it.

Colonel BAKER: Mr. Chairman, with your permission, I will put it this way; if you eliminate the permanency you will have to jack up the salary to get your medical practitioners.

Mr. Mutch: Well, I do not quarrel with that.

Colonel BAKER: Because you would be competing then in the open market, and we have in mind that the service received from the medical officers, through the department, should be just as strictly up-to-date and modern, following the most modern methods as would be obtained outside. We know that the man outside in private practice has just got to read, and keep up-to-date and on his toes if he wants to remain in practice. We want the man in the department to do just as much reading and be just as up-to-date.

Mr. Mutch: By implication you do not think the man in the department has been doing that or can do it under these conditions?

Colonel BAKER: There is little tendency in some cases. I do not want to give any wrong impression or to level any general criticism; but we do find on occasion that fellows have a little tendency, once they feel that sense of security, to settle back—just a little.

The CHAIRMAN: All right, Mr. Herridge.

Mr. HERRIDGE: I just want to ask one question in connection with this supplementary brief submitted by the Canadian Pensioners' Association. I must say before I ask the question that I am heartily in sympathy with the spirit of the brief, but I do not think the concluding recommendation is practical in its present form. The brief recommends that they be given a supplementary increase in the basic rates—I presume that is the basic rate of pensions—and thus help Canada to partially pay its debt to these men whose disabilities, in the service of Canada, have been found to be 100 per cent. I have some personal knowledge of the fact that a number of men with 100 per cent disability have found very satisfactory and remunerative employment with either the dominion government, provincial governments or private employers. I am quite sure that in cases like those such a provision would not be necessary. I should just like to ask this question of those making this submission: would it not be a more practical recommendation, rather than recommending that the basic rate of one class of disability be supplemented, to recommend that special consideration be given to 100 per cent pensioners who are totally unemployable? I should just like to hear what they have to say as to that?

Mr. McDONAGH: Answering the question, I think the point is very well taken. As you read the general brief, we did not recommend a general increase all the way down the scale; our recommendation was that the man in receipt of a pension might make application for war veterans' allowance. But it was our feeling that the 100 per cent man was in a separate class by himself in many ways, because if he is 100 per cent disabled and unable to work, and has to go into hospital for some disability that is not service connected, he immediately

suffers a reduction in the amount that is paid to him, I think of \$15 a month. He goes down to \$60 a month rather than \$75. We want the man to have it as a right, not as a charity gift at all; because in our opinion the man who has been found 100 per cent disabled is entitled, as we say there, to a square deal from Canada, and he is not getting it at the present time. I do see some merit in your suggestion that, instead of using the phraseology that you use, we might use the phraseology, "on application". I do not think there should be any means test applied to it at all. I do not think the man should be placed in that position. I do not think Canada wants him to be placed in that position. They have proved their Canadianism by what they have suffered. They are honest men. I think we can leave it to them in their honesty if you include these words, "On application". If you place it on any other basis it is my thought you are immediately placing it on a charity grant basis which is not wanted. In view of the statement of the Bureau of Statistics that 70 per cent of the male workers of Canada are earning not more than \$1,250 a year I do not see how it can be argued that the man that the country has said is disabled 100 per cent in the labour market should be receiving less than that which 70 per cent of those in the labour market are now receiving.

The CHAIRMAN: Would you kindly permit the deputy minister to say a word on the question of this medical service?

Mr. GREEN: I should like to follow up a point.

Mr. WRIGHT: I should like to ask one question with regard to the medical provisions before the deputy minister makes his statement.

Mr. GREEN: I wanted to ask Mr. McDonagh a question.

The CHAIRMAN: On this very point?

Mr. GREEN: Yes. On page 5 of the brief at the foot of the page, paragraph (a) says:

Basic rates: We recommend that the unemployable disabled man on war disability compensation shall be entitled to apply for war veterans' allowance subject to the condition that his compensation shall not be computed as income for purposes of such application.

I think perhaps you should explain a little more clearly what is meant by that submission. It reads as though you have in mind that every pensioner shall be entitled to apply for war veterans' allowance regardless of what pension he gets. That would mean the 100 per cent pensioner or the 10 per cent pensioner. Apparently there is some thought of having the 100 per cent pensioner dealt with under the other submission to which Mr. Herridge has just referred, but I think it would be helpful if one of the delegation could explain what is meant by that.

Colonel BAKER: Mr. Chairman and gentlemen: We had in mind that there has been a considerable discussion about this basic rate of pension and whether it is adequate. Generally speaking the pensioners of Canada are divided into two groups in compensation cases. First there are those who can work and earn substantially in addition to their compensation; secondly there are those who cannot. In considering the situation we felt that it was possibly not so necessary—and there is a question whether it would be warranted under present circumstances—to ask for a general increase in the basic rate. We did feel, however, that those who are not able to earn substantially through employment were the ones who were in the most need, and therefore we made that suggestion. We did not limit it to 20 per cent, 30 per cent, 40 per cent, 50 per cent, 95 per cent. We said, "An unemployable." If a 100 per cent pensioner is unemployable and he needs extra then he should receive consideration and his actual disability compensation should not be computed as income for the purpose of that application. That is our approach.

I realize that the lower pension group may also possibly be included already in respect of war veterans' allowance through permissible earnings now granted. If additional permissible earnings are granted that would raise the level at which the partial pensioner might be admitted to receive war veterans' allowance. We do not, however, draw a line anywhere down the scale.

Mr. GREEN: There is one further question with regard to pensions. It is paragraph 9 on page 9 which deals with section 11, subsection 3, of the Pension Act. That, of course, is the compromise section which was inserted after the last parliamentary committee. The recommendation there is that once hardship has been established in such claims the award of pension thereafter should be relieved from the means' test disturbance. At the present time, as I understand it, that pension can only be granted where a man is hard up. In other words, there is a hardship test. Is it the suggestion that once he has been given that pension then there shall be no further inquiry at a later date into his means? In other words, the idea is that he shall have some security of pension. He gets it when he is hard up and then having got it he should be entitled to keep it as long as his physical condition remains the same regardless of what his financial condition may be.

Mr. MUTCH: There is no recurrent means' test.

Mr. GREEN: No periodic means' test. Is that the submission?

Colonel BAKER: That is our intention. I think the members of this committee will well understand that during the first great war service in Canada and accidents and illness developing disabilities therefrom were all covered by the Canadian Pension Act including the insurance principle. That insurance principle was withdrawn in 1941. At that time we made representations to your parliamentary committee that those cases which involved death or serious permanent disability should have some provision made for them. In the first place we felt that they were deserving, in our opinion, and we could not see them uncared for. In the second place if you want to preserve that amendment which was made in 1941 you had better clear the hardship cases.

As to being relieved of the means' test after the initial application under section 11 (3) we have two or three chaps who have lost their sight in this war who did not have service outside of Canada. They are section 11 (3) cases. I have been having quite a difficult time trying to get them to agree to take training and to take work which would be jolly good for them. They would be far better off if they were employed and had that occupational interest, but there is a question in their minds because they say, "Well, the moment we go over a certain small narrow limit of earnings the government takes every dollar we make." I said, "Still I think you should take the job." But it is a difficult matter to argue with a chap and convince him in his particular case that the income tax should be dollar for dollar. That is the effect of it. It is discouraging to some extent to rehabilitation. I know that was not the original intention but that is something we do run into. I question very much whether this country would suffer too much if having established the initial element of hardship and the other requirements under section 11 (3) you left that case untouched thereafter.

Mr. GREEN: Some of us objected very strenuously to the insurance principle being taken out of the Act. I can quite see your point. What does a blinded soldier get by way of pension under that section 11 (3)?

Colonel BAKER: He would normally get about 65 per cent.

Mr. GREEN: Instead of 100 per cent which he would get if the insurance principle applied.

Colonel BAKER: That would be the normal award and then there might be a helplessness allowance added to that.

Mr. GREEN: None of them get over 65 per cent?

Colonel BAKER: I do not recall any of the section 11 (3) cases who have been awarded a higher percentage than that. If the sight was lost due to service then it is awarded automatically at 100 per cent.

Mr. WRIGHT: I want to refer back to the medical treatment of veterans in our hospitals. I think we are all agreed in the committee, and the people of Canada are all agreed, that they should have the best medical attention we have available in Canada. It is a matter of how we can best get that for them. The question I wanted to ask the deputy minister with respect to it was whether the doctors who are at present employed by the government are given from four to six weeks each year to take refresher courses or to specialize in their particular types of work? It seems to me if they are not they should be, and if we cannot get the very best specialist advice that is available in that manner we should have some means whereby we can call in consultants to our veteran hospitals in special cases.

Mr. WOODS: Answering the question, Mr. Chairman, as to whether doctors are now given an opportunity to take post-graduate courses periodically that is the intention as soon as we have an adequate medical staff. You gentlemen are well aware of the fact that the medical profession generally throughout Canada is over-worked. There is no opportunity now to give them leave to take post-graduate work but that is proposed as soon as we have enough available medical men.

I should like to say, Mr. Chairman, that during the past few months we have been reviewing our medical services particularly with respect to the salaries that we pay. I sent a man across the country to visit all the large general hospitals and ascertain the salaries paid to the superintendents and other medical staff. Then I had a conference with the Treasury Board and the Civil Service Commission, and whilst we cannot hope to pay a salary such as a professional man who stands high in his profession would get—figures have been suggested of \$25,000 a year—nevertheless we have succeeded in a substantial upward revision of the salaries of our permanent medical men.

I want to say further that we are in agreement with the submission which has been made this morning advocating that permanent appointments be kept to a minimum but that we avail ourselves of the best medical services in the community on a consultative basis. That is being done. We have effected close co-operation with the medical schools throughout the dominion. I believe that just what is advocated in the brief this morning has already been partially achieved and will be completely achieved when the balance of the medical men now in the forces are available to us from which to make appointments with good salaries to positions that now stand vacant.

Mr. SKEY: Perhaps I am out of order, and if so please correct me. I am one of the new members of this committee. We have had the benefit to-day of the vast experience of these gentlemen who have presented their briefs. Will we have another opportunity of speaking with them on the subject?

The CHAIRMAN: It was not the intention to have them stay over until tomorrow unless there were a substantial number of questions still to be asked.

Mr. SKEY: Will the committee be meeting this afternoon?

The CHAIRMAN: If there are any questions still to be asked we could probably sit for an hour.

Mr. GREEN: Ask your question now.

Mr. SKEY: My question was to ask them whether they have any further suggestions regarding the Pension Act and Veterans Bureau that they have not submitted in this brief and which they may want to put before the committee?

Colonel BAKER: In answer to that question I would say that while as a group we have a very broad interest and have from time to time raised

questions about a multitude of things we decided we should not distract this committee by representations on too many points. We have simply pointed out those which we consider to be most urgent. Then you will also recall, gentlemen, that we had comparatively short notice, much shorter notice than we had contemplated. We had it in mind that this meeting would not occur until early in the new year; so, again, for that reason we scaled this down to specific points.

Mr. CROLL: Mr. Chairman, there are two questions I would like to ask. Is the delegation appearing before us to-day in general accord with the provisions for post-discharge treatment of a general nature, that is the one with the one year limit? Is it adequate for the needs of a majority of the members of their associations? I am thinking of the cases of men who have nothing specific that they could nail down to service, nothing pensionable, but something for which a period medical inspection would be of benefit to them, either hospitalization or medical treatment; and they defer treatment until they find that at the end of the year they are struck off completely. I would like to have some information from this delegation about that.

Colonel BAKER: In answer to that question might I say that one of the difficulties about the year's treatment for any condition is that while that period is fixed from the date of discharge of the man the shortage in medical services available in this country is making it extremely difficult and in some cases almost impossible to get treatment within the period provided. I would like to ask Dr. Givens to speak on that question further.

The CHAIRMAN: Will you come up here, Dr. Givens, so that the reporter can get your remarks?

Dr. GIVENS: Mr. Chairman and gentlemen, while this year was set for treatment I think we must all admit that the treatment has not been given, and it has not been given in many cases because the department has had an insufficient number of doctors to give it. One has heard the complaint all across the country that those fellows would report for treatment and on account of the lack of adequate medical staff they were not able to get it. In some cases they would come in and wait around for a day; they would come back the next day for treatment and would not be able to get treatment, so they would give up in disgust. Then there will be the cases which during that year will crop up and the medical services will require longer than that period of one year; so that we think the one year period will have to be extended. We would suggest that that would be one of the things which could be done, and while we are not prepared to say definitely how long that period should be we think the year period is not enough.

I would like to say something further while I am on my feet about the Veterans' Bureau, because there might not be a question asked about it, and to point out that none of the veteran organizations comprised in the national council has any pension and treatment bureau; and all applications are referred to the Veterans' Bureau authorized by parliament following the 1930 parliamentary committee deliberations. It was the opinion of the veterans' associations of that day, and I am quite sure it was also the opinion of the parliamentary committee, that the Veterans' Bureau would be an organization through which all possible help would be available to the discharged soldier, comparable to the relationship between a lawyer and his client. Unfortunately, this is not the case, and the soldier is not getting the help which parliament then decided, and on which we now insist. The Veterans' Bureau has not the right to demand a specialist's opinion either from a departmental consultant or a private consultant until the appeal board hearings. I submit that there are lots of these cases that might never require to go to the appeal board if they were able to get the opinion of a consulting specialist immediately when requested. In that connection I would like to cite the case I cited before the last parliamentary committee in 1941 of a soldier by the name of Suggitt. He was examined in

1919 and a heart condition was found. Through some error his documents were mislaid. Not being a fellow who was always quibbling he did nothing further about it until he was sick again in 1939 and came to me. I referred this case to the Veterans' Bureau and he was then examined by a departmental cardiologist who recorded a condition similar to what was found in 1919. Had he been able to say to this consultant, "Will you state what is your opinion between his present condition and what it was in 1919?" the case could have been settled immediately; but that could not be done and it took fourteen months before that person came to the appeal board. Then when he was asked the opinion he stated that it was the same condition that was present in 1919. Through a clerical error and because of the man's lack of insistence, he was deprived of 20 years' pension. Then because of the rules that the Veterans' Bureau could not request the consultant's opinion on this case before it came before the appeal board, he lost another 14 months' pension. In certain cases it would save the appeal board dealing with that case at all. It would just be a matter of the pension commission making the ruling. The Veterans' Bureau has no money to obtain the services of a private consultant and therefore they are at a disadvantage when contesting a case.

There is a feeling of antagonism. There should not be this feeling, but unfortunately I think there is. I do not believe it is the opinion of the Chairman of the pension commission, but he cannot be responsible for the hundreds of employees that he has and he could not follow all of those. But there is a feeling of antagonism among a great many of the pension officials, a feeling that they must look after the country's interest. I should like to point out, sir, that it is as much the function of the pension commission to look after the man's interest as it is to look after the country's interest. They are put there to maintain an independent point of view. There are some of them definitely who are not doing that, and the men are suffering from it.

The CHAIRMAN: How much longer do you think you will be, doctor?

Mr. MUTCH: I move that we adjourn.

Dr. GIVENS: I might be a few minutes.

The CHAIRMAN: If you could just give us an idea, we could decide on our procedure.

Dr. GIVENS: If we are coming back this afternoon, we could start on from there.

The CHAIRMAN: I suppose you want to get away today if you can?

Dr. GIVENS: I think so.

The CHAIRMAN: Are the committee willing to meet again? We also have with us two men representing the transport command whom we asked if they could defer their statement until later; they were afraid they would be broken up and scattered. They wanted to get their statement into the record. It is already on file, but they are here for questioning. They probably will not take more than 15 minutes. We could complete this statement perhaps in three-quarters of an hour and hear these gentlemen too, if the committee would be willing to sit say at 2.15.

Mr. MUTCH: Why not 4 o'clock?

Mr. GREEN: We have to be in the House today.

Mr. CHAIRMAN: Is there any objection to sitting at 2.15 until 3 then?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Then we shall meet at 2.15.

The committee adjourned at 1.05 p.m. to meet again at 2.15 p.m.

AFTERNOON SESSION

The committee resumed at 2.15 p.m.

The CHAIRMAN: If the committee will come to order we will proceed until 3 o'clock. There were one or two questions which some members of the committee wished to ask.

Mr. QUELCH: Mr. Chairman, on page 10 it refers to section 11(3) of the Pensions Act. I wonder if someone from this group can tell us what the experience of their organization has been in regard to the definition of the word "necessitous" by the Department of Pensions. Has it been broad? In other words, what has the ceiling been on income governing this clause? How high has the income of a soldier got to be to debar him from the benefits under that clause?

The CHAIRMAN: There is a sliding scale on that, Mr. Quelch. Is that not right?

Mr. QUELCH: It says under schedule (a) or (b) of the Pensions Act which is \$900 or \$720, but does that mean to say if the income is less than \$900 they may be awarded a pension to bring it up to \$900?

The CHAIRMAN: Can you answer that Brigadier Melville?

Brigadier MELVILLE: Mr. Chairman and gentlemen: Section 11(3) of the Act reads in necessitous circumstances and serious disability. With regard to necessitous circumstances the basis we use is the equivalent of 100 per cent pension, roughly speaking. If his income is above that when we do not consider he is in necessitous circumstances.

Mr. QUELCH: Below that do you bring it up to \$900?

Brigadier MELVILLE: Below that we make an award that we consider proper.

Mr. QUELCH: I thought one of the members composing the delegation stated it is never brought up to \$900, that it was brought up to a lower level?

Colonel BAKER: The statement I made was that the actual award had not been at the full rate, in my experience. On the average in the cases I was familiar with it was about 65 per cent. There was a time after section 11(3) first came in that deductions because of earnings were deducted at a point below the 100 per cent compensation level, but after that was discussed with the Canadian Pension Commission it was agreed that the award under section 11 (3) plus earnings might amount to the 100 per cent compensation level before deduction, and that no deduction was made except in respect of excess over that amount.

Mr. QUELCH: But the award is only approximately 65 per cent of the \$900?

Colonel BAKER: In the cases I am familiar with.

Mr. QUELCH: Then, apparently the definition of necessitous circumstances is income less than 65 per cent of \$900. Is that the definition of necessitous circumstances?

Brigadier MELVILLE: No, I would not say that. The basic principle is this, that an award under section 11(3) of the Pension Act shall not exceed what it would be as of right. In other words, if the basis of entitlement was a sum in consideration for everyone then it would be at that level, and there is a reduction in a number of cases in the award that is applied.

Mr. QUELCH: You are still not answering my question. When an application is made you investigate the circumstances of the case as to whether or not that man shall receive a pension. When do you consider that a man is in necessitous circumstances? How high or how low does the income have to be before he is awarded a pension?

Brigadier MELVILLE: It all depends again on the basis of the award. If it is an aggravation case or if he has full entitlement—

Mr. QUELCH: We will say that a man has no income at all and his disability is 50 per cent. Would you grant him the full 50 per cent disability?

Brigadier MELVILLE: We have done so.

Mr. QUELCH: If a man had an income of \$500 would you grant him any pension at all?

Brigadier MELVILLE: On \$500 I would say we would just—I beg your pardon—yearly income?

Mr. QUELCH: If his total income a year is \$500 would he get any grant?

Brigadier MELVILLE: He will, yes.

Mr. QUELCH: How high would the income have to go before you would say "no"?

Brigadier MELVILLE: That varies.

Mr. QUELCH: If he is unemployable owing to his disability?

Brigadier MELVILLE: That varies; I would be very glad to give you definite tables and figures on that.

The CHAIRMAN: Just to make it clear, suppose he had total disability; at what point would you refuse to entertain an application, that is, if he had total disability how high would his income have to go before you would not make him a grant of anything under this subsection? Can you tell us that without reference to the tables?

Brigadier MELVILLE: Total disability?

The CHAIRMAN: Yes.

Brigadier MELVILLE: And income, Mr. Quelch said, of \$500 a year?

Mr. QUELCH: Take the \$500 out, and say how high would that income have to go before you would say that a man with total disability would get no pension?

Brigadier MELVILLE: \$100 a month.

Mr. QUELCH: \$1,200 a year.

Mr. PROBE: You have a fixed schedule operating?

Brigadier MELVILLE: We endeavour to maintain a standard of equality for all awards throughout the dominion.

Mr. GREEN: Take the case of a man who has been blinded, has not any other income and qualifies for a pension under section 11(3). How much pension would he get?

Brigadier MELVILLE: A single man who is blind, Mr. Green?

Mr. GREEN: Yes.

Brigadier MELVILLE: Probably two-thirds of the award, of the statutory award, plus the helplessness allowance, if he is totally blind.

Mr. GREEN: I think, as Colonel Baker suggested, so far as the next section is concerned, he would only get 65 per cent pension.

Brigadier MELVILLE: He gets less.

The CHAIRMAN: If he got the pension under the other section his earnings would not affect his pension at all?

Brigadier MELVILLE: No, sir.

The CHAIRMAN: Whereas under this particular section it does affect it?

Brigadier MELVILLE: Necessitous circumstances being the governing factor.

Mr. GREEN: What is the basis for the reduction in that amount? I understood that under section 11, subsection 3, if a man could qualify under that section he could get a full pension. I understood that the purpose of that

subsection was to enable him to qualify for a total disability pension, and yet apparently he cannot get more than two-thirds of the total pension. What authority have you for cutting it down on that basis?

Brigadier MELVILLE: It has been the policy of the commission for years, Mr. Green; I think that is all.

The CHAIRMAN: I think the wording might be involved there.

Mr. GREEN: No, the Act does not say two-thirds at all.

Brigadier MELVILLE: If there are necessitous circumstances.

Mr. QUELCH: I suppose schedule (a) or schedule (d) may have something to do with it.

Colonel LAMBERT: May I say, Mr. Chairman, that he would be paid on the same basis in this case as though he were being paid under the war veterans' allowance. As in the case of the war veterans' allowances it is based on indigency. Apparently they have kept it down just about the level of the war veterans' allowance. I think that is what it is.

Mr. GREEN: And the terminology defines an indigent soldier as one who is in receipt of an income less than \$1,000 a year. That is considerably less than the war veterans' allowance. I wanted to ask the delegation whether in view of the definition given by Brigadier Melville they consider that sympathetic administration of section 3 has been made on the basis defined by Brigadier Melville; would you say that it has been carried out in full from your actual experience?

Colonel BAKER: Generally speaking, I think the consideration and approach to the cases has been considerate. The point that we were raising was that once having set a case we were concerned about the disturbance of mind in a number of these cases in respect to any attempt to improve their situation by occupational training because of the principle of the reduction of their pension; and it is a question of removing that disturbing and unsettling factor.

Mr. GREEN: I would also point out that section 11, subsection 3, is absolutely unqualified as it says, the commission at its discretion may award such compensation not exceeding the rates set out in schedule (a) or (b) of this Act as it may from time to time deem to be adequate under the circumstances. I am quite sure that the members of the 1941 parliamentary committee had in mind that a man could qualify for full pension and not be automatically limited to that ceiling of two-thirds.

The CHAIRMAN: I had that impression. I was a member of that committee. While I do not remember the actual wording of the Act, I must admit that my impression was that once the award was made it stood. I am rather surprised that they can go back on it after the award is made if a man started to earn his living.

Colonel LAMBERT: If a man goes to work it is automatically reduced. It is based on a man's disability—his inability to work. We have a provision made under this section of the Act which is not quite the same as war disability. This clause deals with disabilities which are not definitely due to service; they may have been received in Canada; but as soon as he goes to work—

The CHAIRMAN: Then his pension is automatically reduced, or suspended, on the basis of his ability to work. If he goes to work and earns \$80 a month he is immediately cut off; is that right?

Mr. GREEN: You see, Mr. Chairman, that runs directly counter to the whole basis of our Canadian pension law which is that a man's pension is to compensate him for his disability and then when he has got that compensation he can go out and earn whatever he likes. He is to be free to do as he wishes, and this ruling is directly against that.

Colonel BAKER: This, I understand, has been treated as a compassionate pension clause.

Mr. GILLIS: This is a discussion which should be taken up when the bill is up for discussion. As I understand these pension cases under necessitous circumstances, the last committee that sat here—Mr. Green will remember that committee and I remember the discussion very well—it replaced the old clause in the Act known as the meritorious clause.

Mr. GREEN: No, no; that is still there.

Mr. GILLIS: About the application of this section 11/3, as I understand it it is exactly as Colonel Lambert said a moment ago; you have not a pension by right, you have no service disability as such, so you cannot qualify for a pension, but if your circumstances are necessitous then you can qualify under this section; but when you secure employment and have some income that pension is automatically discontinued, you no longer qualify, you are no longer in necessitous circumstances. And now, how the government or the authorities decide when you are in necessitous circumstances is a mystery to me. I know I have had cases where a pension was established and the man went out and got a job with an income of perhaps \$20 a month—sweeping out a bank or something like that—and immediately he secured employment and his circumstances changed there was a new investigation and you have got the job to do all over again to re-establish that pension under that particular clause. There is a lot I would like to say about this but I think this the wrong place. I think we should pull that thing out of the Act and have some clarification of it. I do not think any one under the present circumstances can define "necessitous circumstances" as applied to-day in relation to this clause.

Mr. QUELCH: I only asked to find out what the experience of the various organizations represented here to-day had been with the administration of this clause, and to find out whether it was really a sympathetic interpretation of "necessitous circumstances".

The CHAIRMAN: You are quite in order, Mr. Quelch, but Mr. Gillis is right; I do not think we should try to discuss it at this point.

Mr. GREEN: I would like to ask the delegation just what they had in mind in paragraph 14, which will be found on page 12, and is entitled "Training Allowances" (post-discharge re-establishment order). Then you go on to quote section 15 of the Canadian Pension Act, and section 20, subsection 3, both of which are, as I understand it, the foundation for the contention that a man's pension shall be inviolate, for once he has the pension he can go out and earn whatever he can over and above that pension; and then they state that in the case of a man who is taking vocational or university training, apparently his pension is cut down—his training allowance is cut down if he gets a pension. Now, when you say this is an infringement of a man's pension right, is that meant to be the significance of your submission?

Mr. McDONAGH: Yes, that is the significance of our representation. When a man has a disability and has been awarded a pension payment the allowance for his training is cut down. In other words, he pays for his training by his pension, or the government charges his pension payment for his training. It may be that there is a legal technicality, or a loophole which they are using which should be corrected. I realize that it is a matter for discussion as to how much a man should have when he is getting training, in case he falls down, if he is getting too much. However, that is something which could be easily corrected by regulation. The money should not be kept from him because he has this disability.

Mr. HERRIDGE: Mr. Chairman, I want to ask the representatives of the Canadian Pension Association a couple of questions in connection with increasing

the basic rate for a pensioner with a 100 per cent disability. My first question is this: would the representative of the Canadian Pensioners' Association think that owing to educational background or intellectual incapacity many pensioners with less than 100 per cent war disability are less able to earn a living or obtain employment than some pensioners with 100 per cent war disability; second, do you not consider that the cases you have in mind would be covered by recommendation number 5 in the national council of veterans' brief presented this morning?

Mr. McDONAGH: Answering your second question first, sir, the reason for this submission is that we feel the 100 per cent disability pensioner should not be in a position as mentioned in section 5 of our brief submitted on behalf of the national council. We feel that the 100 per cent man is in a separate category. The fact that he is a 100 per cent man puts him there. In regard to your first question, it is a little involved and I am not prepared to admit that the man who is, say, in receipt of a 30 per cent or a 40 per cent or a 50 per cent pension had any less education than the man who is in receipt of a 100 per cent pension.

Mr. HERRIDGE: Pardon me, that is not the intention of my question. I am speaking of many men who have a lower percentage of pension but owing to their lack of early education and so on, possibly having to earn their living at manual labour, from the point of view of employment suffer a greater disability than some men with 100 per cent pension. Therefore I do not consider that this man say at 100 per cent pension in all cases suffers a greater disability from the employment point of view than those below.

Mr. ADAMSON: I think what you mean, Mr. Herridge.—I am sorry to interrupt, Mr. Chairman—is that a man who has, say, about a 60 per cent pension, working at manual labour, is unable to work whereas a man who may have a 100 per cent pension, working inside in a clerical job, may continue his employment: whereas your 60 per cent pensioner is totally disabled, your 100 per cent pensioner is not totally disabled. I think that is the case Mr. Herridge had in mind. I had a case exactly like that in my own constituency.

Mr. McDONAGH: I appreciate the sense of your question. But we must always bear in mind that the pension itself is based on the ability to work on the labour market. The mental qualifications of the soldier do not enter into the pension picture at all.

Mr. HERRIDGE: No.

Mr. ADAMSON: I am afraid I have not made myself clear either. A man, shall we say, who is a manual labourer, finds along with age and his disability that he cannot continue to work. Therefore he becomes a completely helpless case, shall we say.

Mr. McDONAGH: Yes.

Mr. ADAMSON: Whereas if he had been able to work at some clerical job, owing to the fact that it was lighter work or if he had some inside job, he could continue to work; but because he is doing manual labour on an outside job, say on construction or something, his useful working years come to an end before the useful working years of a man in some other type of job.

Mr. McDONAGH: Oh, yes. I think I would be in agreement with that.

Mr. ADAMSON: I think that is the case you have in mind, Mr. Herridge.

Mr. HERRIDGE: That is it.

Mr. McDONAGH: Yes. I would be in agreement with that. But I thought there was another part to the question, as to the application for the 100 per cent additional allowance.

Mr. HERRIDGE: No.

The CHAIRMAN: Are there any other questions?

Mr. ASHBY: I should like to ask Colonel Baker if any officials of the Canadian Pension Commission ever approached your association to find out what your needs and wants may be.

Colonel BAKER: Mr. Chairman and gentlemen, yes. As we indicated in our presentation to you here, we have maintained contact with the Canadian Pension Commission and with the department down through the years. Sometimes we may not see eye to eye and sometimes they come around to our point of view.

Mr. MACDONALD (Halifax): May I ask how many members are represented by these various associations, the Canadian Corps Association, the Canadian Pensioners Association of the Great Wars, War Amputations Association of Canada, the Sir Arthur Pearson Association of War Blinded and Army and Navy Veterans of Canada. What is the membership of each of these organizations?

Colonel BAKER: I am not sure of the latest membership. I will ask Mr. Harpham to answer for the Canadian Corps Association. What is your membership, Mr. Harpham?

Mr. HARPHAM: I would not say exactly. I am president of the Ontario command. I would not know what the memberships of the other provincial commands are.

Colonel BAKER: 100,000?

Mr. HARPHAM: It runs into many thousands. I should not like to quote a figure.

Colonel BAKER: Army and Navy Veterans, Mr. Nevins.

Mr. J. NEVINS: I would say for Army and Navy Veterans—although I do not know the exact figures—the membership would be approximately 100,000.

Colonel BAKER: Mr. McDonagh, the Canadian Pensioners' Association of the Great Wars.

Mr. McDONAGH: I would say our membership was around 7,000.

Colonel BAKER: Colonel Lambert, the War Amputations Association?

Colonel LAMBERT: There are about 4,000 of the last war; and up to the latest figures we have of this war, there are about 2,000 of war amputations including the blind.

Colonel BAKER: And of the war blinded, 100.

Captain T. E. BOWMAN: I should like the committee to realize that, in presenting our brief, we are in a somewhat similar position to that of members of parliament. We represent even those who do not belong to our organization, and we have no way of knowing how many there are of those.

Colonel BAKER: As to the war blinded, 150 in the last war and 85 so far in this one, all of the war blinded for the first great war and 25 of the present war are already active members of the Sir Arthur Pearson Association of War Blinded. As a matter of fact, Captain Woodcock, who is with us today, was blinded at Dieppe and was a prisoner of war.

The CHAIRMAN: Would you just stand, Captain Woodcock?

Colonel BAKER: Yes. Please stand up, Captain Woodcock. I might say that Captain Woodcock is one of those multiple disability cases, with loss of sight, total deafness in one ear, partial deafness in the other, complete ankylosis of the right shoulder and a few other odd items, plus 16 months in a German prison camp.

Colonel LAMBERT: I think what the chairman wanted was this, gentlemen. We are a very pacifistic group, both the committee and those who have come here. We really came with very little enthusiasm and we found very little

enthusiasm in the committee, if I might just say that to you, just as a fair criticism of the committee, because I like you all very much and am well acquainted with most of you. I want to say this. We in our organizations have a passion for the fellows who went to war. They have big handicaps and big disabilities. In spite of what other people think about it, we always enthuse about them. And what the chairman was trying to say to this committee is that here we have a living example in our friend Woodcock, who pretty nearly died; and what he wanted was, when Captain Woodcock got up, to have you recognize him in a fitting manner. When you stand up again, Woodcock, we will tell you what we think about you.

(Captain Woodcock stood and was greeted with enthusiastic applause.)

The CHAIRMAN: Colonel Baker will close the presentation.

Colonel BAKER: Mr. Chairman and gentlemen, on behalf of the members of our delegation and the organizations we represent I do wish to express my most sincere thanks to you gentlemen for your kind and patient hearing today. We do appreciate the fact that you are all ex-service men, and that you represent Canada at large. You have represented Canada in the past on the battlefield. You are now occupying an important place in the government of the country. I just want you to know how deeply we appreciate what you are doing in studying the various treatment, rehabilitation and pension provisions on behalf of the men who have served this country. We will carry back very pleasant memories of your considerate reception and your work on this committee. Thank you very much, gentlemen, on behalf of our organizations.

The CHAIRMAN: Thank you, Colonel Baker, and those associated with you, for the splendid presentation which you have made.

The committee will now adjourn until 10.30 tomorrow morning.

The committee adjourned at 3 p.m. to meet again on Tuesday, November 6, at 10.30 a.m.

APPENDIX "A"

TORONTO RECONSTRUCTION COUNCIL

320 BAY STREET

TORONTO 1

Circular Letter

April 13, 1944.

Attached hereto is Appendix "A" to Interim Report No. 3, entitled "A Proposal for the Re-establishment of Veterans in Small Businesses".

We would also like to point out that the title of this report should properly read "A Proposal for the Establishment and Re-establishment of Veterans in Small Businesses". In addition, on page 2 of the report, a typographical error appears in No. (3). The figure for the small business sales volume for 1941 should be three billion, five hundred million dollars (\$3,500,000,000) instead of three million, five hundred thousand dollars (\$3,500,000), as the report now reads.

Yours very truly,

Toronto Reconstruction Council,

N. B. JUNKIN,

*Assistant Executive Secretary.*NBJ:MAA
Enc.

TORONTO RECONSTRUCTION COUNCIL

INTERIM REPORT No. 3

TO

THE CITY COUNCIL OF THE CORPORATION OF TORONTO

A Proposal for the Re-establishment of Veterans in Small Businesses (1)

Our Committee on Rehabilitation of Members of the Armed Forces, of which Mr. G. Fay Davies is Chairman, wish to submit the following report.

Under the Veterans' Land Act, 1942, the dominion government has established the principle of granting financial assistance, on discharge, to those members of the armed forces who wish to establish themselves in the farming industry. The population of Canada is roughly divided on an equal basis, half rural, half urban. However, the government has not recognized the necessity for giving similar assistance to that other half of the armed forces who may wish to re-establish themselves in their own business in urban industry. Three-quarters of the urbanites get their living by working for others and from investments. One-quarter of the Canadian urban population (over one million Canadians) make their own living from their own businesses.

For the purposes of this report, small businesses will be considered as those manufacturing, wholesale and retail establishments employing less than fifteen workers.

(1) This report is indebted to the New Jersey State Commission on Post-War Economic Welfare, and the Princeton Surveys for use of their studies in the preparation of this report.

An analysis of industry in Canada brings out the following factors concerning small business enterprise, as defined above:—

- (1) In 1941, small businesses maintained 161,000 establishments. This represents 94 per cent of the total number of manufacturing, wholesale and retail businesses.
- (2) In 1941, small businesses provided employment for 530,000 workers. This represents 37 per cent of the 1,400,000 employed by all manufacturers, wholesalers and retailers.
- (3) In 1941, small business sales volume was \$3,500,000. This represents 27 per cent of the total industrial sales volume.

A high standard of living in any community is dependent upon full employment. As small business enterprises, as well as larger industrial units, can provide employment for the members of the community, encouragement should be given to their establishment, or re-establishment, within the bounds of sound economy.

Normally, the number of new business enterprises commencing operations slightly exceeds the number of failures and exits. This condition ceased to exist with the introduction of W.P.T.B. Order 184 and was aggravated further by the more stringent regulations of W.P.T.B. Order 284. Thus, instead of a normal annual increase of businesses of approximately 3,000 establishments, the estimated excess of exits over entrances in 1941 was 2,600, in 1942 was 7,000, and for the first five months in 1943 was 4,300. It will therefore be seen that at the close of the war there will be a considerable number of dormant or closed businesses that under peacetime conditions could be re-established as part of a sound economy. (Appendix A gives a list of small active business enterprises to which this plan might apply.)

Under these conditions, civilian industry is faced with a period during which new enterprises or replacements will be only a small percentage of the failures and exits. The failures (i.e. with financial losses) dropped from an average annual rate of about 1,500 during the previous year to 882 in 1941, 609 in 1942 and 89 in the first five months of 1943.

The principal causes of the majority of wartime business casualties are:

- (1) Shortage of supplies.
- (2) Shortage of manpower.
- (3) Restriction of activities resulting from government policy.
- (4) Less profit incentive in maintaining own business versus employment in a war plant.

It is easy to visualize from the above that the re-establishment of small enterprises after the war can play an important part in providing employment and contributing to the strength of the Canadian economic structure. Measures to encourage the rapid re-establishment of the small unit can:

- (1) Provide immediate post-war employment of worthwhile proportions through absorbing manpower directly, and through demands for materials and products requiring the employment elsewhere of manpower for their creation.
- (2) Provide permanent and continuous employment, as distinct from temporary employment on government projects.
- (3) In many cases, provide employment for otherwise unemployables, i.e. partially disabled veterans in certain types of retailing outlets and manufacturing concerns.

It has been shown that small businesses compose 94 per cent of all urban industry, and that there has been a high mortality in small businesses due to war causes. It would appear, therefore, that an opportunity exists for the dominion

government to assist in the re-establishment of these small businesses by making loans to ex-service personnel whose service record has shown them to be trustworthy, and whose previous experience or technical knowledge provide the necessary qualifications to undertake such a venture.

This report proposes that the federal government shall make provision for the establishment or re-establishment of veterans in small business enterprises through a Veterans' Small Businesses Act, by which the government would provide a limited guarantee to encourage the lending of money for such purposes.

In any plan several factors would need to be considered:

- (1) Is the contemplated enterprise needed in the economic life of the community?
- (2) Is the ex-service man or woman who intends entering such a business enterprise qualified, either by temperament or experience, to operate such a business successfully?
- (3) Is the financial commitment required by the dominion government likely to be reasonable?
- (4) What amount of capital is likely to be required for the successful operation of the business contemplated?
- (5) What proportion of the required capital is available to the applicant without recourse to borrowing? Funds borrowed do not create capital but rather a liability.

In order to satisfy these requirements, it is suggested that the lending required by the plan be undertaken by the commercial and banking institutions of Canada, aided by a government guarantee. The local bank manager in each community and the credit managers of commercial companies are excellent judges of the need for any such enterprise, and are good judges also of the qualities essential for success in any individual who is entering such a business.

Consequently, it is suggested that the form of government aid proposed consist of a grant, together with a limited guarantee supporting bank loans. The plan would provide:—

- (1) That any man or woman, an ex-member of the armed forces during the present conflict who has volunteered for active service, be eligible for benefits.
- (2) That any bank or other creditor may accept or refuse any loan or extension of credit to any such borrower.
- (3) That an investment must be made by the applicant of part of the capital required. Arrangements should be made for gratuity payments to be commuted for this purpose, if necessary.
- (4) That the government make a grant equal to the amount provided by the applicant on a low interest rate, long-term amortization basis.
- (5) That in case of default the government rank, with respect to their grant, as an ordinary creditor.
- (6) That a suitable maximum limit be set as to the amount that can be borrowed.
- (7) That a guarantee of 10 per cent of any loans made by the bank be provided under the Act. This amount would be extended as a guarantee to the bank and would be 10 per cent of the amount originally extended and be payable to the bank in the event of default and bankruptcy proceedings.
- (8) That the bank maintain its present provisions with respect to securing assignment of assets for support of such credit.

- (9) That a statement of the amounts to be borrowed under this Act be filed with an appropriate officer of the Department of Veterans Affairs and the approval of this department be secured before loans are granted under the Act.
- (10) That the Canadian Credit Men's Trust Association be asked to set up committees to provide a counselling service and to advise the officers of the Department of Veterans Affairs, and to make available their facilities with respect to solvency of small businesses which borrow money under the Act.
- (11) That, where advisable, vocational training be introduced before any such loans are made to any applicant, such vocational training to include a knowledge of accounting and business practices.

It is contemplated that the procedure for making a loan will be somewhat as follows:—

The applicant, who is an ex-member of the armed forces, will contact a vocational guidance counsellor of the Department of Veterans Affairs, to consider the advisability of entering into a business under the provisions of the Act. Where need for vocational training is indicated, this will be provided under the ordinary vocational training plan. The applicant will then be directed to a bank manager who will investigate the need in his community for a business of the type proposed. If the bank manager considers the establishment of such a business advisable, he will refer the matter to the committee of the Canadian Credit Men's Trust Association which has been set up for this purpose. The amount of the capital necessary will be ascertained and the applicant will make arrangements for the renting of space and the purchasing of basic equipment. The possibility of further credit facilities will also be explored, and on completion of arrangements, the application will be forwarded to the appropriate officer of the Department of Veterans Affairs. If, as a result of the recommendations made, the application is approved, the government will forward a cheque to the bank for the amount of their grant (equal to the capital investment of the applicant), and the bank will then be empowered to extend full credit facilities up to the amount they deem advisable. The amount of the government guarantee will be fixed at this time, having regard to the amount of bank credit asked for.

Upon completion of this procedure, the commercial houses will then be able to ship goods and extend credit to the applicant.

It would appear advisable to establish a limit to the maximum amount of the applicant's own contribution and the grant of the government.

In the event of default the ordinary procedures will then be followed, but the bank will have a guarantee for an amount stated in the original form of approval, and the other creditors, including the government with respect to its original grant, will rank equally as ordinary creditors.

The services of the Canadian Credit Men's Trust Association will be most valuable in the operation of the plan for the following reasons:—

- (a) They are well aware of the need for new business enterprises of the type required in each particular community.
- (b) They are good judges by experience of the amount of training required and of the character of the applicant and his probability of success.
- (c) Their recommendation of the venture will assist the applicant in securing credit from the ordinary commercial concerns with whom he may wish to do business.
- (d) The Canadian Credit Men's Trust Association can provide regular audits, if required.
- (e) In the event of default they will have an established history of the concern which will enable them to handle the matter expeditiously.

In order that this plan may receive consideration as soon as possible, this interim report is hereby respectfully submitted.

TORONTO RECONSTRUCTION COUNCIL INTERIM REPORT NO. 3 TO THE CITY COUNCIL OF THE CORPORATION OF TORONTO

A PROPOSAL FOR THE ESTABLISHMENT AND RE-ESTABLISHMENT OF VETERANS IN SMALL BUSINESSES

APPENDIX "A"

Types of Small Businesses to which this Proposal might Apply

Advertising	Draughtsmen
Display	Dressmakers
Radio	Drug Stores
Novelties	Dry Goods Stores
Airconditioning	
Amusement Places	Electric Equipment
Animal Hospitals	Electricians
Anodizing	Engravers
Antiques	
Appraisers	Fish & Chips
Armature Rewinding	Fish Retail
Art Needle Work	Fitters
Artists Material Manufacturers	Floors
Automobile Dealers	Florists Retail
Automobile Body Repairing & Painting	Forwarding Agents
Automobile Electrical Servicing	Fumigating
Automobile Batteries & Parts	Fur Business
Automobile Brake Service	Furnace Repairs & Installation
	Furniture
Bakers	
Barbers	Grocers Retail
Blacksmiths	Guest Homes
Boats	
Boxes	Hairdressers
Builders & Construction	Hardware Retail
Butchers	Hobbycrafts
	Homecrafts
Cabinet Makers	Home Improvements
Canvas Goods	House Furnishings
Carpenters	
Cartage & Express	Insulation
Caterers	Insurance
Cleaners & Dyers	Interior Decorators
Cloaks & Suits	Importers
Clothing	
Coal & Wood	Jewellers Retail
Commission Merchants	Landscape Gardeners
Cooks	Laundries
Dairies	Machinists
Delicatessens	Movers
	Musicians

Needle Work

Paint

Dealers

Importers

Painters & Decorators

Pattern Makers

Photographers

Plumbers

Printers

Radio Supplies & Equipment

Real Estate

Restaurants

Roofing

Saddlers

Salesmanship

Secretarial Services

Service Stations

Sheet Metal

Shoemakers

Shoes

Retail

Repairing

Stationery

Stokers

Surveyors

Tailors

Taxi

Tires

Tinsmiths

Tobacconists

Toolmakers

Transport

Turners

Typewriters

Upholstery

Vacuum Cleaners

Variety Stores

Vulcanizing

Watchmakers

Welders

APPENDIX "B"

TORONTO, ONTARIO,

27th June, 1945.

BRIEF

PRESENTED TO

THE CANADIAN FEDERATION OF MAYORS AND MUNICIPALITIES BY
THE CANADIAN CORPS ASSOCIATION (DOMINION COMMAND)

Housing was a problem prior to the war. At that time, several surveys and reports were made of a qualitative type. These reports pointed out that many people in Canada were living in homes which were little better than hovels. Today, a new factor has been added. Now there is a definite shortage of houses. A review of the reasons for this shortage will be informative.

During the war, the restrictions on material and labour slowed up the building of sufficient houses. Winning the war was a primary consideration and this limitation was a completely necessary although undesirable condition. As a result of these shortages, many fewer homes were built during wartime than would otherwise have been the case. At the same time, the shortage of labour together with the increased production due to war effort, brought many persons into urban areas who previously had been living elsewhere. According to Department of Labour figures Canadian workers increased from 3,793,000 in the year 1939 to a total of 4,318,000 in 1944. Non-agricultural workers increased from 2,568,000 in 1939 to 3,293,000 in 1944. This new group of over seven hundred thousands workers had to be housed in cities and towns near their work.

To some small extent this increased demand for housing was met by the temporary houses built by Wartime Housing Limited. In areas where little or no previous accommodation existed such construction was essential. However, not all cities shared equally in this program. In some of the larger cities—as, for example, Toronto—there were no wartime houses built prior to the demand for such housing for servicemen.

The influx of war workers created additional problems. Many war workers had money and, in order to find a place to live, and in some cases, for investment purposes as well, they bought any available homes. More and more homes changed hands and each such home was naturally withdrawn from the rental market. This, in turn, created a greater purchaser demand for such units and eventually increased the desire and necessity to buy. It was a vicious spiral and it mounted rapidly. Throughout all this period Ottawa found it inadvisable to put a ceiling price on homes.

One group of renters suffered most during, and after, this period. This was made up of the wives and dependents of those who are serving in the armed forces. This group was, and is, least able to protect itself, physically and economically. The income of this group was low since, in most cases, its members were living on dependents' allowances. In addition, since the breadwinner was more often than not away from home the family was badly handicapped in the struggle to capture its share of the dwindling rental units which remained. The conditions under which some of the families of servicemen are compelled to live must be described as appalling. Moreover the unfilled demand for any kind of accommodation for servicemen and their

families has reached a state where it can only be described as a national emergency and perhaps it should more correctly be called a national disgrace.

In the meantime, the population of Canada has continued to increase. Again quoting from Department of Labour figures, we find that, whereas the total population of Canada which is age 14 and over was 8,332,000 in the year 1939, this group had increased in number to 8,904,000 in 1944 and the best estimates which are available indicate that by 1948 the number will have gone up to 9,289,000. It is obvious that this natural increase in population would necessitate more housing accommodation even if the other factors were not accentuating the shortage. At an average of three (1) to a family in this age group, the increase in required homes 1939 will be 320,000 by 1948.

- (1) 1941 Census—Dwelling units 2,635,753

Department of Labour—Population age 14 and over, 8,556,000

Average per dwelling unit—3.25

And now what about building? From 1939 to 1944 inclusive, 167,511 (2) houses were built in Canada. In addition, 17,000 wartime houses were erected by the government. The latter, of course, were erected in specific areas where the need was greatest. On the continued assumption that we have three to a house in the age group mentioned, this would leave us approximately 136,000 homes short without taking into account new apartments. The number of apartments constructed during the same period was 1,405 (3) and if we average 20 dwelling units per apartment we have 28,000 dwelling units added to this total and we still find ourselves 108,000 dwelling units short.

Since the population figures quoted extend from 1939 to 1948 we must include also the proposed building during 1945 to 1948 inclusive. The government states that we can erect 50,000 houses during the first full year following "V-E" day. If we continue this rate of building for four years we shall have 200,000 homes.

The program of 200,000 houses in the years 1945 to 1948 inclusive would show a theoretical surplus of 92,000 homes in 1948 if we disregard the important factor of obsolescence.

Throughout all the period of 1939 to 1948 the factor of obsolescence has steadily been at work. Houses do not last forever and many homes which were reasonably habitable in 1939 will be far past that point in 1948. The fact that repairs and paint have been difficult to obtain has not improved the retention of the livable qualities of our houses. The period 1939 to 1948 is a ten-year period and it can be assumed that the useful life of a house will average 40 years and that, on that basis, during this ten-year period 25 per cent of our homes have become obsolescent or have ceased to be habitable under any decent standards. The total number of dwelling units in Canada in 1941 was 2,635,753. If we relate the 25 per cent obsolescence factor to the total number of dwelling units we shall have a decrease in our homes of 660,000 during the ten-year period.

Even if we cut our assumed obsolescent factor by one-half we shall have a net shortage, after the proposed four-year building program, of 238,000 dwelling units by 1948.

A fact which must not be overlooked is that no account has been taken in this summary of over-crowding or poor living standards which may have been in effect in 1939 yet several housing reports which were issued at that time in centres like Toronto showed an appallingly deficient standard of livable quality in our houses.

Stated briefly, we need to build not 50,000 homes each year but over twice that number. We shall need 438,000 new homes by 1948.

(2) Hugh C. McLean Publications.

(3) Source: McLean Building Reports.

Now let us use the greater Toronto area as a basis for making estimates in connection with the effect of the shifting of employment from a war to a peace basis. If we use the data gathered by the Toronto Reconstruction Council in its interim report No. 4 we find that, using 1943 as a base, there were 334,000 workers in the greater Toronto area. Of this group, 66,900 were engaged wholly or partly in war production. It could be expected, therefore, that only these 66,900 would move and release living accommodation when the change-over took place from war to peace. Many of these will be absorbed in the increase due to the change in civilian production and, in fact, when we break down this group further we find that those who intend to leave the Toronto area number only 20,750. These figures are based on a survey conducted by the Canadian Opinion Company in the greater Toronto area. This number of 20,750 is in turn offset by the 22,320 married women who intend to cease work and set up housekeeping. Undoubtedly many of the married women are now living in doubled-up apartments or are living with their parents and, as a result, little or no relief will be brought about from that source by the return of our economy to a peace-time basis.

Now let us consider for a moment the problem of the returned man. The total number in the armed forces in Canada as at October, 1944, was stated to be 777,000. Of this number approximately 27 per cent came from M.D. No. 2. If these figures are accurate, and they are approximately so, a total of 200,000 from all services will eventually be returning to the area served by M.D. No. 2. It is difficult to estimate how many will be returning to the specific area which we have been considering, namely, the greater Toronto area. If we assume that one-half will be returning to Toronto and vicinity then we only need to estimate the number of this total who will be expecting to establish homes in this area. Some of the married women in war industry will be married to members of the armed forces who will be returning but, even if we allow for some duplication on this account, we can visualize a need for new homes in Toronto and vicinity which will lie somewhere between 20,000 and 50,000. Either figure will create a situation beyond hope of solution by any method now being proposed by any governmental authority. To say that the outlook is alarming is to state the case mildly. And we must bear in mind that this picture applies only to the greater Toronto area. What about other areas in Canada? Not all will be similarly situated, but many cities, including Vancouver, as an example, are in similar straits.

What has been done about it?

In April of 1944 the Canadian Corps Association in Ontario became interested in the housing problem and pressed the municipal authorities in Toronto for action and, as a result, 600 temporary houses were put under construction. Some of these were of the type built by Wartime Housing Limited and some were of a pre-fabricated type bought directly by the city of Toronto. More recently, an additional 600 houses have been promised and the details have been worked out through the Department of Reconstruction. These are to be built outside the limits of the city of Toronto. Credit must go to the city of Toronto for the effort which its mayor and the members of the Board of Control and City Council have put into these projects. However, we must also consider that only the surface of the problem has been scratched.

What have the federal and provincial governments been doing?

Apart from Wartime Housing, the Dominion Government has confined its efforts to the provisions of the National Housing Act, 1944. This Act provides houses for sale but does not solve the problem. In the first instance, the returning veteran frequently wants to use his war service gratuity or his re-establishment credits to buy a business or to aid his education or to continue his vocational training. He often does not want to be forced to buy a house at the present high prices in order to find a place to live. He wants to have

some time to look around and he wants to have an opportunity to move from place to place until he finds his chosen peacetime work. If he is compelled to use these statutory grants to put a roof over his head much of the value of the excellent rehabilitation provisions will be nullified. Also the administrators of the National Housing Act, 1944, are wisely following the course of requiring larger down payments than the minimum 10 per cent provided by the Act. It is true that the N.H.A., 1944, provides for low-rental housing and slum clearance but little or no progress has been made with these plans, and, to state it bluntly, even if a limited dividend corporation or a private company wanted to build something for rental, any action would be impossible right now. In the first place, there would be no units to house the displaced families while the slum clearance project was put underway. In the second place, few, if any, cities have secured legislative authority for the planning and zoning restrictions which are a part of the section of the Act dealing with low rental projects. Any hope that this section of the Act can solve the immediate problem can with good reason be placed in a remote category.

A potentially major contribution was the plan of the Minister of Reconstruction, Mr. Howe, to use the machinery of Wartime Housing Limited to build a somewhat improved wartime type house for rental purposes. It was proposed that a director-general of housing development would be appointed under Mr. Howe and, in fact, such an appointment was made. Under this plan, houses were to be built and rented to ex-servicemen. While this plan was in operation the mayor and some members of the Board of Control of the city of Toronto, at the insistence of the Canadian Corps Association, were fortunate enough to journey to Ottawa and were able to secure the promise of 600 such houses.

There need be no fear that this proposed plan will replace or displace the more permanent housing solutions which may arise from the implementation of the National Housing Act. The temporary houses are likely to be of use for some time at least until all the ex-servicemen are demobilized. And, in fact, after that time, these houses could usefully be employed to house those persons who are being temporarily moved under slum clearance projects.

There is probably no type of social reform which is as little understood both by its supporters and its detractors as housing. It cannot be safely assumed that, when more houses are built, the people who need them most will get them. And, moreover, the houses which are needed, are needed in particular areas and they are needed in a specific rental class, and, at the moment, they are needed for rental purposes. It is extremely unlikely that the private house builders will solve these specific and acute problems with the very first houses which they may build.

Another great misconception which seems to be generally shared is that when a new house is built a vacancy is immediately created somewhere else. Such errors are made possible by lack of basic information of the extent of the need. We can have many new houses and not have any vacant houses. We shall have a lot of over-crowding to remedy first.

As its contribution to the solution of the immediate and pressing shortage the Canadian Corps Association is urging that the plan proposed by Mr. Howe be again reinstated. A brief, urging such an action, was sent to the leaders of all the political parties and was sent also to most of the federal candidates. So far, the results have been disappointing.

In a prepared statement on housing, Mr. Ilsley has reiterated his faith in the N.H.A., 1944, and he says he is relying on the Veterans' Land Act as well.

There is, however, a ray of hope in the following statement: "In addition, the government, through Wartime Housing Limited and by agreement with various municipalities, has already built 1,123 houses of a permanent or semi-permanent type for rent to ex-members of the armed forces or to dependents of

those still in the forces, and has another 1414 houses under construction or under negotiation. Plans for several hundred more have already been submitted for government approval. These houses are over and above some 17,000 wartime houses built for workers in war plants."

In May a new inter-departmental committee of senior government officials to coordinate housing activities in Canada was announced jointly by the Minister of Finance and the Minister of Reconstruction. This committee had, among other objectives, the provision of housing accommodation for veterans and for dependents of personnel in the armed forces as well as the provision of emergency housing. This interdepartmental committee has the responsibility of determining where government effort should be directed in order to solve our housing problems. The Canadian Corps Association (Dominion Command) urges that this inter-departmental committee undertake immediately the construction of a minimum of 50,000 houses of a permanent or semi-permanent type to be built by Wartime Housing Limited or some other available agency or agencies, and to be rented to returned members of the armed forces and their dependents.

This brief is submitted to the Canadian Federation of Mayors and Municipalities for the reason that only by the cooperation of the municipalities throughout Canada with federal government authorities can this plan be made effective. The Canadian Corps Association is of the opinion that the data which is herein presented indicates an existing and impending housing shortage in Canada the proportions of which may not fully be realized by many of the agencies whose responsibility it is to deal with the problem.

The Canadian Corps Association believes that the soldiers and their dependents, by reason of income and by reason of the absence of the breadwinner due to service in the armed forces, constitute a group least able to protect themselves in the search for almost non-existent housing accommodation. The Canadian Corps Association believes that if, as the government has stated, only 50,000 housing units can be provided in the first full year following "VE" day by reason of shortages of men and material, then this number of houses should be built of a particular type in specified areas on a rental basis and set aside for returned members of the armed forces and their dependents.

The Canadian Corps Association urges that the Canadian Federation of Mayors and Municipalities use its influence to urge upon the federal government the need for immediate action.

G. F. DAVIES,

President.

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

(ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

Tuesday, November 6, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Mr. J. E. Weaver;
Mr. J. M. Pierce.

OTTAWA
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1945



MINUTES OF PROCEEDINGS

TUESDAY, November 6, 1945.

The Special Committee on Veterans Affairs met at 10:30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Belzile, Benidickson, Blair, Blanchette, Brooks, Bruce, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, Marshall, Mackenzie, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Power, Quelch, Sinclair (*Vancouver N.*), Skey, Tucker, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. J. M. Pierce; Mr. J. E. Weaver.

Consideration of the proposed draft bill to amend The War Service Grants Act, 1944, was resumed.

Paragraphs (a) and (c) of clause 9 (1) were adopted without amendment.

Mr. Quelch moved that paragraph (d) of clause 9 (1) be amended by deleting the words *in an amount not exceeding two-thirds of the purchase price of the furniture or household equipment*.

The question having been put, it was negatived on division.

Mr. Cleaver moved that paragraph (d) of clause 9 (1) be amended by deleting the word *two-thirds* in the second and third lines and substituting therefor the words *ninety per centum*.

The question having been put, it was resolved in the affirmative on division.

Paragraph (d) of clause 9 (1), as amended, and paragraph (g) were adopted.

Sub-paragraph (iii) of paragraph (h) of clause 9 (1) was amended by inserting the word *sixty-seven* between the words *sections* and *seventy-eight* in line three thereof.

Paragraphs (h) and (i) of clause 9 (1), as amended, were adopted.

On motion of Mr. Green, it was resolved that the Committee recommend that Order in Council P.C. 6650 dated October 26, 1945, be rescinded.

Mr. Wright moved that the law officers of the Department of Veterans Affairs be requested to draft a further amendment to clause 9 (1) to permit the use of the gratuity for the purchase of a share in a co-operative.

Discussion followed.

At 12:45 o'clock p.m., the Committee adjourned until Thursday, November 8, at 10:30 o'clock a.m.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 6, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, if the committee will come to order we shall proceed.

This morning, as you know, we have here Messrs. J. M. Pierce and J. E. Weaver, who submitted a representation to the committee which will be found on page 370 of the record. We had hoped to hear them yesterday but didn't manage to do so and they are here now to make some amendments to that submission and to answer questions; and we will hear them before proceeding to a consideration of the gratuities bill.

Mr. J. M. PIERCE and Mr. J. E. WEAVER, representing the R.A.F. Transport Command, called:

The CHAIRMAN: Will you come forward please, Mr. Pierce, and give us your name?

Mr. PIERCE: Mr. Chairman, Mr. Minister, members of the committee and gentlemen; my name is J. M. Pierce and I am here with Mr. Weaver to make certain further representations on behalf of the R.A.F. Transport Command. I have been with the R.A.F. Transport Command for a period of three years, and Mr. Weaver was a radio officer with the command while I was doing test flying most of the time. Some time ago we presented a brief to the committee representing the Canadian flying personnel of the transport command. We submitted a brief in which we desired to be included in some way under the veterans' rehabilitation program because we have had absolutely no consideration at any time. I understand that our brief has been printed in the record. Further to that we have three points by way of addition which I would like to include in the record as amended to this brief. With your permission I will read these three points:

AMENDMENT I

The Case of the Canadian Civilian Flying Personnel of the R.A.F. Transport Command In Their Claim For Recognition as Veterans

Point No. 1. During 1940, 1941, and 1942 Canadian civilian flying personnel were assessed full income tax amounting to almost half their income. RCAF attached to RAFTC for ferrying duties and American civilian flying personnel paid no income tax whatsoever.

Point No. 2. Our men, except by a concession on the part of their previous employer, are unable to return to their pre-war position, due to their not being considered veterans.

Two cases of which we know (there are probably more) where our officers have been unable to take possession of their homes for the same reason.

Point No. 3. The majority of these men have excellent secondary school educations, and many left university to join the RAFTC. They are now the most experienced group of men in Canada in long range flying and operation under hazardous weather conditions. Certainly these men with their vast practical experience should be given the opportunity of university training so that their knowledge can be put to the future benefit of Canadian aviation.

Those are our amendments.

Mr. CROLL: Isn't that a bit wrong, or isn't there some mistake on that? I gather from what was said that the companies you were formerly with would not reinstate you in the jobs which you formerly held, or similar jobs; they are required to reinstate you under the law of Canada, I understand.

The CHAIRMAN: They are not members of the armed forces.

Mr. PIERCE: And that is why we are bringing this up.

Mr. CROLL: I am sorry.

Mr. PIERCE: We wish we were members of our own armed forces. Among our number are those who have exceptional qualifications for Trans-Canada Air Lines but they are unable to join that organization because of the Trans-Canada Air Lines' veterans' preference.

Hon. Mr. MACKENZIE: Whom are you paid by, the British government?

Mr. PIERCE: By the British authority, the British Air Ministry; and we paid approximately \$3,000,000 income tax to the Canadian government over a period of four years.

Hon. Mr. MACKENZIE: How many of you were there altogether?

Mr. PIERCE: We have 269 survivors and we had 77 killed, making a total of 346, which is a loss over the period of 20 per cent, a little over 20 per cent of Canadians only, Canadian civil flying personnel.

Hon. Mr. MACKENZIE: Would it be fair to ask you the rates of pay or remuneration you received while you were on active service flying the Atlantic?

Mr. PIERCE: Certainly, sir. There were five general classifications of which there were 44 captains; the highest paid category, all through the whole of the war there were 44 Canadian captains, sir. Their salary was \$1,000 gross, out of which they paid income tax and other charges. Out of that \$1,000 per month of pay in 1943, approximately one-half went for the payment of income tax; but during the last two years of the war they paid—a typical case is that of a married captain with one child who paid \$203.25 income tax per month, insurance amounted to \$75 to cover him in case he was killed—and if he were killed—leaving a net salary of \$721.75, this was the maximum salary paid captains.

Hon. Mr. MACKENZIE: What would be the percentage of Canadians as regards the whole of the service, as compared to British and others?

Mr. PIERCE: There were very few British civilian flyers, only about four; four captains and about 30 radio officers.

Hon. Mr. MACKENZIE: It was an entirely Canadian service you might say.

Mr. PIERCE: Canadian and American.

Hon. Mr. MACKENZIE: How many Americans would there be roughly?

Mr. PIERCE: At least as many as there were Canadians. At the beginning it was almost entirely American because they were the only ones who had twin-engine and four-engine flying experience. It was mainly American in the first few months. Then the Canadians began to build up experience in the air observers' schools and as co-pilots on this end and eventually qualified to be captains.

Hon. Mr. MACKENZIE: Were you on continuous duty, or did you work by trips?

Mr. PIERCE: On continuous duty. If you are not on a trip you are attached either for training duty or test flying. We were exceptionally lucky with our test flying in that we only lost two planes, although we did have some 30 forced landings on test flying. When we were flying the Atlantic, we only had one case where someone survived after forced landing in mid-ocean.

Mr. QUELCH: In the event of death, was there any compensation?

Mr. PIERCE: Only that afforded under the Quebec Workmen's Compensation Act, sir, which allowed \$40 a month to the wife.

Mr. MUTCH: You stated that you had 77 killed, what other casualties did you have?

Mr. PIERCE: No additional casualties to speak of, just very minor ones like losing a finger and things like that. We have had no permanent disabilities.

Hon. Mr. MACKENZIE: Have you had many cases of pneumonia or bronchitis due to cold and exposure incidental to flying at high altitudes?

Mr. PIERCE: That has not been brought to our attention by our personnel department. We have nothing on record as to that.

Mr. HARRIS: You mentioned an item of expenditure, \$75 for insurance; how much did that cover?

Mr. PIERCE: That gave us the protection of \$15,000. It was an exceptionally high rate due to the risk of the job. Lloyds' were the only company which would carry this insurance, but as you know, Lloyds' will take on almost any kind of a risk.

Hon. Mr. MACKENZIE: Was that insurance voluntary or compulsory?

Mr. PIERCE: It was voluntary. We have had some very unfortunate cases of young radio officers straight out of radio college coming to the command and without taking out insurance losing their lives on their first trip, leaving the wives and families of these men in very bad conditions right now. I quoted, sir, the maximum salary. We only had 44 captains. The majority of the personnel were much lower paid than that, of course.

The CHAIRMAN: What would be the equivalent in the air force to a captain, would you say?

Mr. PIERCE: It is very difficult to say, sir. We have had a number of captains holding down jobs who were the equivalent to service men holding the rank of wing commander—people similar to chief flying instructors and chief test pilots.

Hon. Mr. MACKENZIE: What were the smallest salaries paid?

Mr. PIERCE: There were observers who were flying on test flights only and were being given a certain amount of training. The reason why they were carried at a low wage was because they were not initially qualified. They received increases through promotion until they got an average of \$154.12 per month. Two of them were killed, and numbers of the others were involved in forced landings. They, of course, got the worst of the deal, and quite a number of them made the Atlantic crossing too.

Mr. SINCLAIR: You said that a captain was essentially the equivalent of a wing commander in the air force. These 44 captains to whom you referred were not all chief instructors; some of them were first pilots on the trans-Atlantic service. What experience did they require to be first pilots?

Mr. PIERCE: The first pilots' on the trans-Atlantic crossing average time when they came to the command was 1,500 hours.

Mr. SINCLAIR: Coming back to the point about the wing commanders, they were also first pilots, captains, air traffic, and so on?

Mr. PIERCE: But we then had no service at all in four-engine aircraft for pilot equivalents in the R.C.A.F. All of them were at least flight lieutenants and there were a number of squadron leaders who received squadron leaders' basic pay of \$292.50; for his wife, another \$65 a month; and then from the R.A.F. transport command—an allowance of \$120 per month, which brought his pay up to \$483.62, plus all of his benefits. Then, a very important point which I would like to bring up there is that of these (I am not a captain myself) but these captains, these older men, all in their 30's, and 40's, who came to the command, these 44 captains who came from the air lines, paid completely for their own training out of their own pockets, and they were flying the trans-Atlantic run two weeks after joining the command; whereas the men who joined the air force but had not had previous flying experience; and we are told that the cost to Canada of training a pilot was approximately \$25,000, where it cost absolutely nothing to train these pilots that came fully qualified to the transport command with a licence and were flying the Atlantic constantly all the time. They were needed very badly and they gave up jobs at which they were earning \$6,000 and \$8,000 a year, and some of them were on air lines, some of them were executives of the Canadian Pacific Air Lines. Then, as to radio officers; 35 per cent of the radio officers made \$600 a month gross; and netted \$459; and 65 per cent of our radio officers and flight engineers netted \$399, which is a little bit less than the average flight lieutenant receives in the transport command, namely \$446.12. Then of course, there are our test observers. When there were a large number of aircraft being tested for delivery over the Atlantic, the observers were supplemented by R.C.A.F. and R.A.F. flying officers and flight lieutenants. Then, another thing, there were no N.C.O.'s attached to test flying, to test the various items of navigational equipment, to swing the compasses and so on. In many cases the observers were netting \$152.92; and the flying officers doing the same job got \$391, and naturally that caused a little bit of hard feeling.

Hon. Mr. MACKENZIE: Who was the authority regulating these salaries?

Mr. PIERCE: The financial adviser to the British Air Ministry, it involved the British Air Ministry.

Mr. HARRIS: And you say that you do not get any benefits?

Mr. PIERCE: No benefits, sir; they were not considered to be veterans by the British government. Some of the captains who were flying prominent personalities such as Churchill, and doing work of that kind, did receive the O.B.E. the C.B.E. and similar honours, but they went to only a very few. We consider ourselves in the same position as those Canadians who served in the R.A.F. overseas; of course, there are some who were transferred to the R.C.A.F. and repatriated and in that way became entitled to the service benefits with the allied services.

The CHAIRMAN: There is just one question that has been raised and perhaps you can answer it, and this is from the R.C.A.F. people who suggest that you people were unwilling to join the R.C.A.F. Have you anything to say about that? I just bring that up because it has been suggested to me.

Mr. PIERCE: I am not sure that I get your point.

The CHAIRMAN: It has been suggested to me that some of you were unwilling to join the R.C.A.F. That has been suggested to me by some of the R.C.A.F. officers.

Mr. WEAVER: May I say, sir, that I was one individual who was unwilling to join the R.C.A.F. I was a member of the Canadian army and I had been seconded to the ferry command. I had an opportunity to go into the R.C.A.F. and in preference I stayed with the Canadian army and later went to the transport command. That happened in the case of a number of us who held qualified licences for ferrying duty across the Atlantic. I was the only one of 30

men who held a commercial licence which qualified a man to take a job with the transport command. I was on leave of absence from the army until October of last year. I consider myself a veteran of the army.

Hon. Mr. MACKENZIE: What was your rank?

Mr. WEAVER: I was a radio officer.

Mr. CRUICKSHANK: Still operating?

Mr. WEAVER: It is dissolving now; there are probably 25 men left for the purpose of ferrying very important personnel around to various parts of the world. They are operating a service to the African gold coast once a week, and they are operating a service over the Pacific to Honolulu and Australia.

Mr. CRUICKSHANK: There is some service operating out of Montreal now, is there not, once or twice a week?

Mr. WEAVER: That is British Airways Corporation and Trans-Canada Air Lines. We operate an occasional trip over the north Atlantic but we have no schedule now. We have a schedule over the mid-Atlantic from Montreal to the Azores to India and return.

Mr. CRUICKSHANK: I was talking to a man in Montreal about two weeks ago who had just come back that morning from England.

Hon. Mr. MACKENZIE: There are the two services, as I understand it. There is the organization that Mr. Weaver mentioned which succeeded the transport command, and the T.C.A., that is Canadian Air Lines; isn't that correct?

Mr. WEAVER: That is correct, they are flying trips, but we have no schedule actually, although we did maintain a schedule over the north Atlantic for the purpose of returning special passengers.

The CHAIRMAN: That hardly answers my question. What would be the reason why your boys would chose to join this service rather than go into the R.C.A.F.?

Mr. WEAVER: In a great many cases it was because they had to. We have some veterans of the last war. We have probably four or five radio officers who are veterans of the last war, and of course are veterans of this one; and their categories are not high enough for the R.C.A.F. although they are accepted in the transport command. We had a man, a first-string captain, over 50 years of age (although he didn't admit it, but he was when it comes right down to it).

Mr. LENNARD: Was this ferry command of the R.C.A.F.?

The CHAIRMAN: They were Canadians, and it has been suggested to me that these boys if they wanted to get the benefits of being members of the armed forces should have joined, and I want to get evidence to explain to the committee why they were not in the R.C.A.F.

Mr. LENNARD: That should not penalize them for any of the benefits.

Mr. PIERCE: I take it that the point of your inquiry is why a young fellow like myself should have joined the transport command rather than the R.C.A.F.?

The CHAIRMAN: Yes.

Mr. PIERCE: I was in McGill, second year engineering, and I had done considerable flying before the war and was teaching navigation there to the R.C.A.F. at McGill. I decided to go active and I went down to the recruiting centre in 1943. I told them that. They told me about the transport command and the opportunities there. The squadron leader told me to go down to the transport command where I would be able to fly aircrew, whereas in the R.C.A.F. under the slowed up training system he told me, you might be here for a year and a half or two years and never get flying. That was the time of the great hold-up in the training system. He said, you can be of use there. Then, too, there were many others who were medically unfit either for the R.C.A.F. or even

the active army, and others who had been discharged. They were still quite capable, and they were taken on the transport command here. I must admit that their medical examinations were not very severe, there was really no thorough examination.

The CHAIRMAN: In other words, there was a great demand for this service that you were able to give, and had you gone into the R.C.A.F. you would not have been able to become immediately useful?

Mr. PIERCE: That is correct, sir. I might cite the example of a classmate of mine at McGill who went the year before I did. He joined the R.C.A.F. and he has been commissioned. He spent months doing all sorts of menial work in various bases. Eventually he got his wings, two years after he joined up. He became a pilot, and up to that time in the R.C.A.F. he had put in 250 hours' flying time; you have to put in 200 hours in order to get your pilot's wings. Since then he has remained in Canada on flying duty; he is now at McGill in a preferred position with full rehabilitation benefits. I have 1,500 hours of practical trips over the water, yet we are not considered veterans; and we had to meet losses of one in five over the whole period.

The CHAIRMAN: Are there any other questions of these young men? Well, thank you very much.

Mr. WEAVER: Before leaving, I am representing trans-oceanic radio officers' association. I am here for the express purpose of asking the veterans affairs committee to give some consideration to the dependents of the men who have been killed in line of duty. Not all of our dependents of these men can qualify as needy dependents, but there are a few distressing cases which none of us are very proud of. We think it is our duty to bring it to the knowledge of the members of the Veterans Affairs Committee that there are some distressing cases as a result of these men being killed, and it is our wish that they get some consideration. Thank you very much.

The CHAIRMAN: Thank you.

Mr. PIERCE: I should like to say just one word more in conclusion, to re-emphasize the third point of our amendment to the brief, namely, that with regard to university training, especially with regard to Radio Officer Weaver's Radio Officers' Association. These men are radio experts with an enormous amount of practical experience to say nothing of the pilots and flight engineers. It would really be a shame for the country if they could not get university training to bring them up to the scientific standard so that they could make use of this practical experience in the scientific end of radio, flying and navigation. There is no doubt that with the thousands of hours of flying we have piled up flying under civilian flying conditions to say nothing of the military end, it would be of inestimable value to industry, to the National Research Council and these various organizations; but only if our men had university degrees or university training.

Thank you very much, Mr. Chairman and gentlemen.

The CHAIRMAN: Thank you very much. (Witness retired.)

Gentlemen, we shall now revert to the consideration of the War Service Grants Act. The first section before the committee is on page 7 of the bill, section 9, subsection (1a), (i) and (ii) which reads as follows:—

9. (1) All or any part of the re-establishment credit may, within a period of ten years from the first day of January, one thousand nine hundred and forty-five, or the date of his discharge, whichever is the later, be made available to or for the member of the forces eligible therefor when it is shown to the satisfaction of the Minister that such credit is to be used for:—

(a) the acquisition of a home

- (i) under The National Housing Act, 1944, in an amount not exceeding two-thirds of the difference between the lending value of the home and the amount of the loan made under that Act; or
- (ii) not under The National Housing Act, 1944, in an amount not exceeding two-thirds of the difference between the appraised value of the home as approved by the Minister or the purchase price, whichever is the lower, and the amount of the encumbrance thereon, assumed or created by the member;

We have discussed that at considerable length. Is it the pleasure of the committee to carry those subsections?

Some hon. MEMBERS: Carried.

The CHAIRMAN: That is carried.

Subsections agreed to.

The CHAIRMAN: The next section is section (c) which reads:

- (c) the reduction or discharge of indebtedness under any agreement for sale, mortgage, or other encumbrance on his home, in an amount not exceeding twice the amount that the member himself simultaneously contributes to such purpose;

Some hon. MEMBERS: Carried.

The CHAIRMAN: That is carried then.

Section agreed to.

The CHAIRMAN: The next is subsection (d) which reads:

- (d) the purchase of furniture and household equipment for his domestic use in an amount not exceeding two-thirds of the purchase price of the furniture or household equipment or the payment of the full cost of repair of such articles.

Is that carried?

Mr. SINCLAIR: There is one point in connection with this which I should like to get clear. It says, in the wording of section 9, (1), "when it is shown to the satisfaction of the Minister that such credit is to be used for". I know that in Vancouver there were certain stores urging on the veteran that he had to spend his whole credit at one time in one store. I know that most veterans do not wish to buy their furniture in that way. Under this is it possible for the veteran to buy furniture over the course of a year, save his receipts and then tender them to the Veterans' Affairs Department and ask that the credit be granted, or is it entirely for the future as is suggested in the clause?

The CHAIRMAN: Mr. Hogan is here. Would you explain that, Mr. Hogan? Mr. Hogan is in charge of the re-establishment credit administration.

Mr. HOGAN: The question, as I understood it, is: may a veteran purchase his articles of furniture at different stores at different times?

Mr. SINCLAIR: Yes.

Mr. HOGAN: And then submit his bills?

Mr. SINCLAIR: We understand why, from the bookkeeping point of view, he cannot keep submitting bills all the time. It has to be one operation.

Mr. HOGAN: That is right.

Mr. SINCLAIR: My point is with regard to the use of the words "is to be used for" which seem to assume that he must apply first before he spends any money at all.

Mr. HOGAN: That is not quite right. We do ask the veteran to clear himself with the department first before he enters into large commitments on furniture. It may be by phone call. Furniture is one of the easiest purposes we have to handle in the matter of transacting. The veteran goes to the store and gets his furniture, has it listed in a bill of sale showing the cost of each item, the total cost, and then indicating that he has paid one-third of the total in cash.

Mr. SINCLAIR: I use my own case as an example. I have a re-establishment credit of \$600 odd which means I am going to have to spend \$900 on furniture, but I am not going to spend it all at one time.

Mr. HOGAN: Right.

Mr. SINCLAIR: The obvious thing to do would be to average things up and to buy pieces of furniture as you need them. But the use of this wording here, "that such credit is to be used", seems to imply to me at least that I would first of all have to go to the Veterans Affairs Department and secure approval of those things I wished to buy and buy them in one lump. Is it possible for the veteran to start now buying these things, get the bills and when he has a sum equal to his re-establishment credit, to present them to your department for payment and approval?

Mr. HOGAN: It is.

Mr. SINCLAIR: In that case, I do not think that this wording ought to be used, "credit is to be used".

Hon. Mr. MACKENZIE: Which section is that?

Mr. SINCLAIR: Section 9 (1).

Mr. HOGAN: I might explain there that the gap between buying furniture and the final payment should not be too much or the vendor would be disturbed.

Mr. SINCLAIR: You do not get my point. The veterans have other moneys beside the re-establishment credit. I for example—and I use myself as a horrible example—will buy this furniture all along, intending in the end of get my re-establishment credit for that purpose. I know of many veterans in Vancouver who are doing the same thing.

Hon. Mr. MACKENZIE: Would using the words, "used or to be used" meet your point, Mr. Sinclair?

Mr. SINCLAIR: Yes.

Hon. Mr. MACKENZIE: Why not amend it in that way?

Mr. WOODS: I think Mr. Hogan was endeavouring to make the point that whilst we have the power to reimburse you for expenditures you have made, on production of the proper vouchers, we do urge that we do participate; we do urge them to come to us first, in case it is a transaction we might not be able to entertain.

Mr. SINCLAIR: I quite appreciate that. My objection is that that is not conveyed at all by the Act. You say you will do that, but certainly when you use the future tense here, "is to be used" then it automatically provides for reimbursement for previous purchases.

Mr. WOODS: That is quite correct.

Mr. MUTCH: Has not warning gone out to the people proposing to use their credit for that purpose that they must not accept delivery until they have cleared with the department?

Hon. Mr. MACKENZIE: Yes.

Mr. MUTCH: That was, I suppose, to prevent any sort of fraud being practiced, if they cleared with them.

Mr. SINCLAIR: This is the thing I object to. It means that a veteran is going to have to buy all his furniture in one store at one time.

Hon. Mr. MACKENZIE: I think my suggestion will meet your point, "used or to be used", because there will be supervision to see that people will not take advantage of the veteran. I think if you put in the words, "used or to be used" it will meet the situation. Of course we will have supervision. Is that all right, Mr. Gunn?

Mr. GUNN: I do see the possibility of a veteran getting into some deal that is, to say the least, improvident, such as buying furniture far beyond his means or furniture far beyond its real value. If after the event the department is required to reimburse him—reimbursement to the extent of two-thirds of his money—it may not be in the interest of the veteran to do so.

Mr. CRUICKSHANK: What do you mean, "beyond its real value"? Am I to understand that the department says what kind of chesterfield I can buy?

Mr. GUNN: No. I understand that where the veteran is dealing with an established retail furniture company of good repute and there is no question about their reputation, or even with second-hand dealers in that category, the department does not ask any questions. They assume that the price is right. But that is not always the case. Sometimes the veteran does get into the hands of unscrupulous persons, and I am not sure whether the introduction of that wording suggested by the honourable minister might not have implications along those lines.

Mr. CRUICKSHANK: I am not objecting to protecting the soldier. I think you are doing the right thing to protect him. But it seems to me a little harsh that if my wife wants a Moffat stove, for instance—I think there is a stove called the Moffat stove; I am not personally interested; I do not get one unfortunately—she has to ask if she may. If my wife decides she wants a Moffat stove, have I got to go to this department and say, "Can I have a Moffat stove or have I got to have a Smith stove?"

Mr. GUNN: I do not believe it is necessary. As I understood the minister, the idea was this: if the circumstances put forward by Mr. Sinclair were brought to my attention, and if I were asked for an opinion, I would say at once that if you are satisfied that there was a bona fide deal and the veteran had not been imposed upon in that way, by all means let him have his credit, regardless of the fact that it is an accomplished fact and we are reimbursing money for the amount expended.

Mr. SINCLAIR: I am quite in agreement with that idea. My point is that first of all the veteran and his wife are going to use their funds to much better advantage if they have a year and a half in which to do this, to go and shop around at different stores, to get a carpet at one store and a stove in another and so on. The second thing is, if this act goes through where "such credit is to be used for", then you have no legal basis at all, as I say, for reimbursing him for things he has bought since his discharge but before he applied for his credit.

Mr. GUNN: The only legal basis is application which must be made to the department in advance of the proposed purchasing plan being brought into operation.

Mr. SINCLAIR: But a man need not have a plan. Many veterans are furnishing their houses as best they can. They have no plan. They buy whenever they can and there is no plan of how they are going to spend that money over a year or year and a half. Some of them have big credits; those who have been overseas for a long time, such as those in the first division, have credits of almost \$1,000. Certainly a man in that category cannot spend it wisely if he is going to be expected to spend it all in one shop.

Mr. GUNN: I quite agree.

The CHAIRMAN: They do not have to spend it at one time. The thing is this. If you introduce this suggestion into the Act it means this, if the words

mean anything. It means they can go out and buy and submit the bills afterwards for payment. The proper wording, to carry out the purpose which Mr. Sinclair had in mind, would be "shown to the satisfaction of the minister that such credit has been used or is to be used".

Mr. SINCLAIR: Yes.

The CHAIRMAN: Once you import that into the bill, it gives the right to the veteran to go to work and spend the money as he sees fit and then come along and say later, "I want reimbursement." In other words, rightly or wrongly, the government has set up an elaborate system of supervision of the spending of this re-establishment credit; and the moment you say that he can spend the money and then submit the bills afterwards, it seems to me that you are defeating the very purpose of the supervision of the spending of re-establishment credit. That is something that we should do, if we are going to take that position, only after a great deal of consideration; because a person might enter into some improvident deal and then the dealer might say, "All you need to do is submit those bills and they have got to pay them." You have lost your whole benefit of the supervision that has been provided for. That is, if a man proposes to spend say, \$200 of his re-establishment credit on furniture and he gets in touch with the department and says, "I propose to spend this much money on this particular furniture" they get in touch perhaps with some person who is giving his service free in the community, to see that he is getting value for his money and that he is not being in any way swindled; and if he has got value for his money they say "Go ahead and buy it." But the moment you introduce this other thing, he would go out and make a deal; and then, providing he could show it has been used for the purpose of furniture, it would have to be paid. I am not saying that we should not make this change, but I am saying that if we do make it, it seems to me that at one stroke we have struck away the whole intention that the veteran should be advised and helped.

Mr. CRUICKSHANK: May I ask a question? I do so for the sake of information. Suppose I have this re-establishment credit coming. Suppose I also have some private money of my own, and I am entitled to re-establishment credit. I may have enough money to buy all the stoves, beds and so on that I want. I have got \$1,000 re-establishment credit coming, and I want to spend \$700 of that credit. You might say it is an improvident deal, but what of it? If I have my own private money to pay for a stove and bed and so on, would I be allowed to spend \$700 or would you prevent me from doing it?

The CHAIRMAN: The thing is this: the purpose of this money is to help to re-establish the veteran, and if you open it wide open like that, you lay yourself open to the thing being used as a racket. You could go into a store and say, "Here, I am going to buy this carpet for \$700" and then tip the wink that I, having spent \$700 on the credit, will get back \$500 and the man will get \$200 for putting through the deal.

The whole purpose of this legislation is to try to protect the veteran, and I think before we open it too wide we should consider it. In the case Mr. Sinclair had in mind, the veteran has 10 years in which to spend this money on this variety of things, and he may buy furniture out of his own money. If it is a substantial enough deal, then I suggest he first phone, as is suggested, and get the O.K. of the re-establishment credit people on it.

Mr. SINCLAIR: What record is there of a phone call? Then he comes down a year later and submits his bill and they say, "Where is the record?"

The CHAIRMAN: They will just drop around to the store or send one of the voluntary committee to see if he is not being gypped.

Mr. SINCLAIR: What is the difference between that and sending a man to look at it and say if he has been gypped they will not pay for it?

The CHAIRMAN: I am just going to come to that question. The question is can the soldier under this disadvantage, get the full benefit of the re-establishment credit? Are these provisions wide enough so that he can get the full benefit and still have supervision and the help that was provided for. I think we should be very careful about sweeping away the supervision and help that was provided, because if it is worth anything, we should not take away the foundation from under it. If we are ready to say we will treat the re-establishment credit the same as the gratuity, where you can spend it as you please, then I think you will find that the soldier will not get as much value out of it as he would if he gets help from members of his own community in spending that money.

Mr. SINCLAIR: When you say "help", let me take my own case, buying furniture for a new house. Does this man have to go to one of the rehabilitation committee in Vancouver and have them approve of what a man and his wife may buy for their house? Is this the treatment to give to veterans?

The CHAIRMAN: There you are suggesting to amend that; but what is in the Act, is that if you wanted your re-establishment credit used for that purpose, you get their approval as it is.

Mr. SINCLAIR: One of these equally well-meaning people, one of these club women who has not enough to do in her own home, is to go down to the store and look at the furniture that my wife and I selected, to see whether it is a proper thing upon which to spend the money which a grateful country is giving? That stinks, I think.

The CHAIRMAN: You cannot say you will have a certain amount of assistance and supervision with one breath and say that the man shall have absolute freedom of action with the other. You cannot have it both ways.

Mr. MUTCH: It is not working in that way entirely; I am speaking of the regulations that exist at the present time. I know of the specific case of a man coming back with a substantial credit who wanted to get a place to live in—oddly enough—and as you know it is difficult. He entered tentatively into a deal to purchase a house and furniture, the furniture at the price of \$1,200 in this particular case. He went down to arrange the deal through the office set up for that purpose in that district, administered by paid officials of the department; and they having some experience, said, "We will look into this matter." In this particular case they found he was paying \$1,200 for about \$300 worth of sticks, and they not only succeeded in having the price of the furniture reduced to its approximate real value of \$300, but the deal on the house itself was so bad that they got a reduction of 25 per cent. This man had made a down payment of \$1,700. The officials of the department were not able to get that \$1,700 back, but instead of having made a payment of \$1,700 on a \$4,000 deal, he found that he had paid \$1,700 on about a \$2,800 or \$2,900 deal. I should like to be sure if the change is made which was suggested a moment ago by the minister to meet your suggestion that protection would still be there. If it is not going to be there I think we should keep it the way it is. I know further it is possible to purchase furniture from reputable dealers without anyone looking behind it at any time. This indecision arises out of the discussion this morning. Is it not possible for a man who has \$400 in credit to buy \$100 worth of furniture this year, \$100 worth of furniture two years from now, and five years from now spend the rest of the money?

Mr. WOODS: Certainly.

Mr. MUTCH: He does not have to wait until he has spent all of the credit. There may be as many transactions in as many different years as required.

Mr. WOODS: He may use the remaining \$100 to buy insurance.

Mr. SINCLAIR: There is a different impression in the west. The stores out there have aided and abetted in the view that it has to be spent all at the one time.

The CHAIRMAN: When people act like that it demonstrates the wisdom of protecting the veteran.

Mr. WOODS: I may say we have been covering transactions where it is a fait accompli before the veteran has come to us. He has bought something and it is a bona fide transaction. For example, he has got furniture for his money, and we have reimbursed him. We have done that rightly or wrongly under the regulations. You remember that section 24 of the Act states that the Governor in Council may make regulations governing all matters relative to the manner of payment of gratuities or the making of re-establishment credits available. We have had a regulation stating that this can be done. If a man has already got stuff innocently we can repay him, but we would deplore any widespread publicity that "you can go ahead and spend your credit and we will pay it when you come to us." The reason we are apprehensive of doing it is we are afraid of this buying of a business. Most men are prone to being victimized in the acquirement of a business or a share in a business. If it was inserted in the Act that after it is already done you can come to us and get your re-establishment credit, and we had not channelled that application to buy a business through our re-establishment credit advisory committee of outstanding business men, I am afraid that a heavy percentage of the boys would be victimized.

Mr. SINCLAIR: I was thinking only in terms of the buying of furniture. I was not thinking in terms of anything else.

Mr. WOODS: This section applies to all transactions.

Mr. BROOKS: It applies to the repairing of a home as well. If you wanted to make repairs you would have to get your application in first, find out what repairs were necessary and then make the repairs.

Mr. WOODS: That is right.

Mr. QUELCH: I cannot quite understand why there is the insistence that the credit be used to pay for only two-thirds of the price of an article. If it were a loan I could understand it because then you would want additional security for the other 30 per cent, but it is not a loan; it is an outright grant. I can see some cases where it would be a definite handicap. Take the case, for instance, of a soldier going under section 13 of the Veterans Land Act. At the present time he is not eligible for the credit. Therefore in getting settled he will have spent all the cash he has. Now we are proposing to make the re-establishment credit available to him but he will not be able to use it because he will not have that 30 per cent cash to put up with the re-establishment credit. Therefore he will not be able to buy goods he may need very urgently at this time. Will it be possible to overcome that by the soldier saying, "Now, I have already bought \$500 worth of furniture. Will you come and look at it and let the 30 per cent apply on the purchase price of the furniture I have already bought?" Would that be one way of overcoming it?

Mr. GUNN: I think the answer to the point raised by Mr. Quelch is that your friend would not need any cash if his commercial credit was good in the community.

Mr. QUELCH: As a rule a soldier's credit is very poor, unfortunately. We saw that under the old Veterans Land Act and I suppose it will be the same under this. Once you have gone under that Act your credit is gone; you cannot borrow a cent. I doubt very much if soldiers settling under this Act will have any credit unless it is a man who has been very well known in the past, but most of these fellows are young fellows who have not been able to establish that credit in the past. It does seem to me you are placing a definite handicap on the soldier who may need immediate assistance to buy certain articles, but

because he has not the balance of the cash necessary to put up 30 per cent he will not be able to buy the things he requires. I can see that perhaps the reason behind this is to encourage the soldier to spend additional cash on goods rather than squander it. That may be the purpose behind it but there will be certain cases where that money is already spent in view of the fact that the soldier did not think he would be eligible for credit under section 13 of the Veterans Land Act. That is a good example of that very thing. I do think you should have the power to allow goods already purchased to represent that 30 per cent. For instance, if he has already spent \$500 on furniture and he wants to spend another \$1,000 and he has a grant of \$1,000 then I think, providing that the \$500 worth of furniture is in the view of the supervisor a good investment, that should be allowed to count as the 30 per cent. Then he will be able to spend the other \$1,000 on additional furniture or equipment. Have you that power under the Act?

Mr. Woods: No.

The CHAIRMAN: With the power of supervision which you have why cramp yourself if a man can get a real good deal in any way that is satisfactory to the supervisors under this Act with his re-establishment credit? Why do you restrict yourselves to saying that he cannot get that deal unless he can raise one-third of the money himself if all this money is coming to him? There must be some reason behind it. It looks to me just as Mr. Quelch says, that with the supervisory powers you have you do not need this right to say that he cannot buy it unless he can put up one-third himself.

Mr. Mutch: You may be actually encouraging extravagance by that clause.

Mr. Woods: That same argument may be used with respect to the Veterans' Land Act in requiring the settler to put up 10 per cent of his own money. As I recall the discussion in the parliamentary committee on the Veterans' Land Act, at which Mr. Quelch was present, there was not a member there who objected to requiring the settler to put up some of his own money.

Mr. Quelch: But you remember the reason you gave, and I think it is a good reason. It was to see that the soldier was thrifty. You stated that not only would the soldier have to appear before the advisory committee but also his wife. You felt that during the term of service of the soldier that the wife should have been able to save a certain amount of money and if, on the other hand, she had spent all the money it showed she was not thrifty and would not make a good farmer's wife. That was the argument put up by Mr. Murchison. I still do not think you have covered the point. I still think it should be possible to grant the supervisor the right to have the whole of the re-establishment credit paid on the purchase price rather than on two-thirds. I think you should have that power. Maybe it would not always be necessary to insist upon it but I think you should have that right to cover such examples as section 13.

Mr. Mutch: If they had that right could you conceive of any circumstances where it would be possible to withhold it?

Mr. Quelch: Yes, if you felt that the article which the soldier wanted to buy was not worth the price you could withhold it. They could always give that as the excuse.

Mr. Mutch: I am afraid there would be a tendency on the part of the inspectors and supervisors to decide in their own minds what my wife and Mr. Sinclair's wife should be allowed to buy.

Mr. Quelch: Why would they wish to withhold it?

Mr. Mutch: It is just that bureaucratic urge that goes with having a job like that.

Mr. QUELCH: Exactly, and I think it is unnecessary.

The CHAIRMAN: Is there not a difference between buying furniture and buying a business, between sections (d) and (g)? If a man wants to use his re-establishment credit to buy furniture and he needs furniture, has got a good deal but has not got the remaining one-third, why should he not be permitted to use it all instead of saying he cannot buy furniture unless he can raise one-third of the cost himself? I can see your argument in regard to section (g) where it is a matter of requiring him to put up some money himself in the business but it seems to me there is a fundamental difference between buying furniture and buying a business.

Mr. WOODS: I will acknowledge there is a difference. I should like to make it perfectly clear that this is not any regulation of the department. This is as parliament enacted the War Service Grants Act, requiring that when a veteran buys furniture or buys a home—not in improving his home but when buying a home or buying a business—he must put some of his own money into the transaction in order to ensure that it is a bonafide transaction, that he actually is building up a home, and to protect the country against bachelors and people who do not need furniture to the same degree so as to prevent them from buying furniture, turning it over and selling it again the next day. It was felt he should have some of his own money in it. I agree with the chairman that there is less argument with respect to furniture than there is with respect to buying a business.

Mr. CRUICKSHANK: I should like to ask one question reverting back to furniture. Did I understand you to say that if furniture is bought from a responsible firm, one of the large firms such as Eatons for the sake of argument, that is accepted? What I am getting at is there will be a terrible row if any of the bureaucrats you have got now in the province of British Columbia come and tell me the kind of bed my wife can sleep in.

Mr. WOODS: I should like to make it clear there is no attempt on the part of our department to dictate the architecture or type of the furniture.

Mr. CRUICKSHANK: I had better be careful what I say, but I do object to the class of supervisor I have seen if I am buying from a responsible firm. We will say for the sake of argument that Birks sell furniture. I go down and buy some furniture from Birks and then some old busybody or bureaucrat out there is going to come down and say, "No, Cruickshank, you cannot have that bed."

Mr. GREEN: Would you blame them?

Mr. CRUICKSHANK: I want to know if it is a responsible firm and the price seems reasonable on the invoice whether the supervisor necessarily comes in?

Mr. WOODS: Not necessarily, no.

Mr. SINCLAIR: Mr. Woods, in the argument you just made you said that the reason the chap should pay one-third of his own money is to make sure it is going to be a good deal and that he does not re-sell it. I cannot see where putting up one-third changes the picture at all. He can do that with one-third of his own money in it. I may be taking both sides. A moment ago I was against supervision, but if you have supervisory control does that not come in just as much whether he puts in one-third or whether the government supplies it all? It is not going to be a matter of saving in re-establishment credit because any man who thinks that he is going to get \$2 for \$1 he has spent will see in the ten years that all he does get is the maximum re-establishment credit. So there will be no economy because of the necessity to put in one-third himself.

Mr. MUTCH: Is it not the sense of the committee that the principle of a cash contribution in the case of establishing yourself on a farm or establishing yourself in a business is a sound and proper one, and one in which we concur,

but we would be willing, if it can be done by legislation, to allow a man to use it on a straight contribution basis for the providing of essentials such as furniture. If there is any way the law officers of the department can draft that it would settle the discussion.

The CHAIRMAN: I was going to suggest that. Subsection (d) reads:—

- (d) The purchase of furniture and household equipment for his domestic use in an amount not exceeding two-thirds of the purchase price of the furniture or household equipment or the payment of the full cost of repair of such articles.

If the committee wishes to drop out the words, "in an amount not exceeding two-thirds of the purchase price of the furniture or household equipment" I do not see any reason why that should not be done. Is there any objection to that?

Mr. CLEAVER: I think it would be wise to leave at least a small amount.

Mr. CRUICKSHANK: Why?

Mr. CLEAVER: For this reason; if there is no owner content in the furniture which is bought . . .

Mr. QUELCH: No what?

Mr. CLEAVER: Owner content in the purchase price a chap who was a little inclined to be improvident might rush in and buy a lot of furniture which he would afterwards find he did not need.

Mr. CRUICKSHANK: You have got supervision.

Mr. CLEAVER: Whereas if you have a little in that purchase price it will postpone and distribute buying as and when the need arises. I think it would be to the veteran's benefit to leave some small percentage there, perhaps not one-third.

Mr. CRUICKSHANK: Leave a couple of blankets.

Mr. GREEN: I think there is a good deal in what Mr. Cleaver says. I think by and large it is a very sound principle. It is in a section of the Act. I doubt whether it is in the interests of the veterans themselves to sweep that provision right out.

Mr. QUELCH: I do not agree with that.

Mr. WOODS: There have been one or two cases where we have instituted prosecutions against unscrupulous firms in some of our large cities. In collusion with a veteran they presented a bill for what was ostensibly going to be furniture for him, and with a cash transaction between them and the veteran they have defeated the purpose of the Act. In one or two cases we have prosecuted.

Mr. QUELCH: That can still be done whether you put down one-third or not. The last two speakers are both lawyers. They have got the idea in their heads that you have got to have that additional security. I think that is at the back of their thinking. I wish to point out that the thing Mr. Woods refers to cannot be prevented by even putting one-third down. If they are going to be crooked they will be crooked and you cannot prevent that. We know what happened under the old Veterans' Land Act. I know under the Veterans' Land Act where they put up 10 per cent they wanted a certain piece of land and the supervisor would not agree to the payment of the price they had agreed to pay. Then they had an agreement behind the scenes whereby they paid the balance afterward. I know of actual cases where that was done. You cannot prevent it.

Mr. CLEAVER: I want to correct the impression that you formed from the remarks I made. I think it does arise as a result of professional experience,

but I have many times found instances where young folk would fall heir to a windfall. They would rush out and spend it and buy the city hall. I am suggesting if you leave a small owner content in the purchase price you are going to make a man a little more serious minded, a little more frugal, if I may use that word, in his purchases.

Mr. CRUICKSHANK: His wife will make him that way.

The CHAIRMAN: We have spent quite a lot of time on this item. May we take a show of hands on it to see whether it is the desire to leave this restriction in or take it out?

Mr. CLEAVER: And there is the 10 per cent.

Mr. GILLIS: Ten per cent.

The CHAIRMAN: There is a suggestion that he put in 10 per cent himself.

Mr. QUELCH: Take it out.

The CHAIRMAN: Those in favour of leaving it at 10 per cent instead of one-third?

Mr. BENIDICKSON: That refers to what section?

The CHAIRMAN: In respect of (d) only.

Mr. MUTCH: It is understood this only applies to furniture.

The CHAIRMAN: Just (d) only.

Mr. JUTRAS: And household equipment.

Mr. BENIDICKSON: Why should it not be (f)?

Mr. PEARKES: Under (f) you have got no restriction at all. He can spend all his money on tools. We should be consistent because after all kitchen tools are much the same as any other kind of tools.

The CHAIRMAN: It is the privilege of this committee to be as inconsistent as it wants to be. Are we ready to take a show of hands on that?

Mr. JUTRAS: What are we taking a show of hands on?

Mr. QUELCH: The first suggestion was that the 30 per cent be wiped out. Why not put that first of all and if that is defeated try the 10 per cent.

The CHAIRMAN: All those in favour of wiping out the words, "In an amount not exceeding two-thirds of the purchase price of the furniture or household equipment"? Then it would read: "The purchase of furniture and household equipment for his domestic use or the payment of the full cost of repair of such articles." All those in favour of that section carrying as amended in the way I have mentioned? There are sixteen in favour and eighteen against.

(Amendment negated.)

The CHAIRMAN: All right; now, the next item is: shall it carry as it is now in the draft bill?

Some hon. MEMBERS: No, no.

The CHAIRMAN: Those in favour?

Mr. CLEAVER: Put the other amendment first.

Mr. GUNN: Mr. Chairman, would you let me make a statement? I wonder if the members of the committee considered what is meant by the word "purchase"? Does it mean outright purchase, or so much down and so many dollars in the next several months or several years? It may make a difference there from the legal standpoint.

The CHAIRMAN: Those in favour of putting in, "in amount not exceeding 90 per cent of the purchase price of furniture or household equipment"; those in favour of that amendment?

Amendment agreed to.

The CHAIRMAN: May we carry the section as amended?

Section as amended agreed to.

The CHAIRMAN: The next item is (g):—

(g) the purchase of a business by him in an amount not exceeding two-thirds of the difference between the purchase price and any indebtedness incurred for the purpose of the purchase of such business, if the payment of such difference entitles the purchaser to immediate possession.

Mr. GREEN: Mr. Chairman, on this clause (g), I wonder if the deputy minister could tell us whether consideration has been given to the suggestion that was made the other day by the Legion—

The CHAIRMAN: Order, gentlemen, please.

Mr. GREEN: —to the effect that there should be some provision made for enabling the veteran who wanted to go into a small business to get a loan at a low rate of interest in addition to his re-establishment credit? It seems to me that is one of the most important problems that arises in connection with the re-establishment of the men. I think they are the ideal source from which to get proprietors of small businesses across Canada, people of independent minds and having considerable experience; and in Canada we cannot have too many men and women in small businesses standing on their own feet. It does seem to me that under the present setup the veteran who wants to go into a small business is not getting as much assistance as he should be given. He gets a certain amount of cash money and there is present credit, but then there is no provision for getting a loan. I should think it would be possible to bring in some bill or in the interim some order in council that would give him a chance to get a loan from a bank at a very low rate of interest with the government guaranteeing the loan to the bank. I think that is the principle that is used under the home improvement loans. I would like to ask the deputy minister whether it would not be possible to have some provision of that kind. I am sure it would help if they needed it.

Mr. Mutch: Would a resolution to that effect affect this particular clause?

Mr. GREEN: I am not sure that it would affect the clause. I am sure it is of vital importance.

The CHAIRMAN: I can tell the committee this, that various proposals are being studied very intensively and very carefully to work out something. Different proposals are actually being studied. They have been suggested by the department. I am glad to hear Mr. Green suggest that if, in view of the congestion of business in the House, there are some very urgent matters which there is no hope of getting through the House that he would not oppose getting some of these things going by order in council.

Mr. GREEN: I did not go that far.

The CHAIRMAN: I thought you meant that.

Mr. GREEN: I said, on this one clause if there cannot be legislation brought down within the next two or three weeks, perhaps it could be covered by order in council in the interim period. I am not giving you any general promise that I am going to support order in council legislation.

Mr. ADAMSON: The deputy minister has some correspondence on a case quite similar to the case under general discussion at the present time. It refers to an ex-service man who had a fairly substantial industry in a summer camp and he wished to borrow some more money, or to borrow some money, to go ahead and finish the camp and carry on. And now, I did not intend to bring it up for discussion on this particular subject—

The CHAIRMAN: I wonder, Mr. Adamson, if you would mind, having suggested what you had in mind, just letting it rest there, because if we open this subject up I am sure every single member of the committee would want to speak on it and we would not get this bill reported to-day as we hoped. There is nothing we can write into this bill which will affect that situation. We decided the other day that we would go through with this Act and that we would press it to a conclusion, then take another definite Act. Unless the committee wishes to reverse that decision which we took yesterday, I feel that I should in all honesty rule the discussion out of order.

Mr. GREEN: Let's get on.

Mr. ADAMSON: If there is nothing we can add to this bill relating to these cases, then it would not appear to be any purpose in discussing it further. The deputy minister wrote to me and suggested that I should bring it to your attention, because there was no machinery at the present time to look after these particular cases.

The CHAIRMAN: May we carry this sub-clause?

Mr. WRIGHT: Subsections (e) and (f) are already carried?

The CHAIRMAN: Yes, I am speaking about (g); the purchase of a business where it is provided that he must put up one-third of the equity himself.

Subsection (g) agreed to.

Mr. ISNOR: What was the difference between (e) and (g)?

Mr. GREEN: One is capital and the other is buying a new business.

Mr. ISNOR: No, they are both capital, specifically for the acquisition of working capital required in the business.

Mr. WOODS: The one is capital to assist him in a business he already owns, the other is for the acquirement of a business.

Section agreed to.

The CHAIRMAN: The next one is (h), (i), (ii), (iii), (iv) and (v):—

(h) the payment of premiums under any insurance scheme established by the government of Canada, including:

- (i) payment of premiums pursuant to any contract of insurance to which he is a party under The Returned Soldiers' Insurance Act, The Veterans Insurance Act or the Civil Service Insurance Act;
- (ii) payment under subsection two of section forty-nine of the Royal Canadian Mounted Police Act of a deficiency in deduction from his pay as an officer of the Royal Canadian Mounted Police;
- (iii) payment of contributions in respect of his service as a constable of the Royal Canadian Mounted Police under sections seventy-eight, eighty-one or eighty-two of the Royal Canadian Mounted Police Act;
- (iv) payment of contributions under section five of the Civil Service Superannuation Act in respect of his service in the Civil Service prior to becoming a contributor under that Act;
- (v) payment under subsection two of section ten of the Militia Pension Act of a deficiency in deduction from his pay as an officer as defined in that Act.

Mr. Mutch: Is not this the place where we were going to get at annuities?

Mr. GUNN: When we touched upon this clause the other day I put forward two or three amendments for the consideration of the committee. Since that time it has been brought to my attention by the R.C.M.P. that we ought to

have a slight amendment to paragraph (iii) of this section, by adding the words "sixty-seven" immediately after the word "sections" in the third line of subparagraph (iii). That amendment arises out of the fact that at the present time this section does not cover those members of the R.C.M.P. who have been taken into the force from provincial police bodies and it is felt desirable to extend these same benefits to such men. That is the only purpose for the introduction of the words "sixty-seven".

The CHAIRMAN: Is it the pleasure of the committee to carry that as amended?

Mr. BROOKS: I have one very small point referring to "constable" as a rank in the mounted police. Surely it is not intended to exclude non-commissioned officers in that, is it?

Mr. GUNN: The answer to that is that officers are taken care of under paragraph (ii): non-commissioned officers are considered to be constables for the purposes of the R.C.M.P. Act.

The CHAIRMAN: Is it the pleasure of the committee to carry that section as amended?

Section as amended agreed to.

The CHAIRMAN: Then there is a proposal in regard to subsection (vi), payment of the purchase price of an annuity purchased by him under government annuities. Is it the pleasure of the committee to adopt that?

Subsection (vi) agreed to.

The CHAIRMAN: Then, under (i), is the payment for special equipment, etc.

Mr. HARKNESS: If we are going to carry this section (para. (h)) there is a point which I would like to bring up. I have had requests from a number of people mentioning the matter of the very large number of companies who operate superannuation schemes under which the companies put in more or less dollar for dollar with the men. I would think this Act might very well be extended to enable a man to use his credit for that purpose. As the thing stands at the present time he can pay the money over for a government annuity, but with respect to an annuity or benefit out of which he might get much greater return he is not able to use it.

The CHAIRMAN: That is, you suggest that he might purchase an annuity from a private insurance company?

Mr. HARKNESS: Not a private insurance company, a superannuation scheme such as they have in the banks, the railway companies and so on.

Mr. CROLL: Mr. Chairman, we are treading on very dangerous ground, as my friend knows. At least we know all these various Acts have had a thorough study and they are put on a sound actuarial basis. We have reason to believe that they are in themselves liquid and competent to look after their obligations. I, for myself, do not know and I do not think any of the other members of this committee know whether these other schemes are good or bad. They appear very good perhaps on the face of them, but what is likely to happen to them over a period of time none of us can say. I think once we get outside of these regulations and understood Acts and those that have had the test of time, we would be getting on very dangerous ground and likely to jeopardize the interests the man has. I think we are going far afield, because they may not be good schemes. Somebody says the banks; they may be very good, I have no doubt they are. There may be others which might not be so good, and we will be swamped by people from all over the country asking us to

make a contribution here and a contribution there, whereas the best investment they could possibly make for themselves and for the maximum of security is in buying a government annuity. I think we had better stick to that.

Mr. HARKNESS: What I am referring to are government-approved superannuation plans provided by these large companies; particularly for superannuation plans which are government-approved and are known to be on a sound actuarial basis. They are held as separate funds. The C.N.R. is one very good example, and nearly all of the large concerns; and I see no danger in the world in allowing a man to put his money into one of those plans. As a matter of fact, he gets much the same benefit because in a large number of these companies dollar for dollar of what the men put up is met by the company itself—in some cases it is dollar for dollar; in others it is 50 cents; and in some schemes I understand it is as much as \$2 for every dollar the man puts in. By allowing a man to put his money into that sort of scheme he would be enabled to get much greater value for it than he could by putting it into a government annuity.

Mr. COCKERAM: Then again there are the provincial superannuation funds for provincial Civil servants; they should be open to them, too.

Mr. MUTCH: Then the question arises as to other funds, such as the C.N.R. and the T.C.A.; they also have a scheme. Under the T.C.A. scheme I think the company puts up 5 per cent and the man may put in as much as he is willing to contribute and receive corresponding benefits. If you are going to include government-guaranteed schemes you should certainly include the T.C.A. and C.N.R., if they wish; although in many of these company schemes I think it should be remembered that during the period of service the company have not only put up their share of the contribution but in many instances they have put up the employee's share of the contribution during the period of service, and in addition have protected his seniority. So there will be very few cases in reputable firms where a man would require additional funds to take care of any backlog which would be needed to take care of his benefits. If what I have in mind about the T.C.A. is correct he could increase his potential return by making a lump sum contribution. I am not advocating that; I am not suggesting that we should make it any wider. I am by no means certain in my own mind that we should; if we should, that is the type of thing, and that type only, which we should consider.

The CHAIRMAN: In almost any of these proposals which have just been placed before us there must be some qualifying point. While this discussion has been going on this thought has occurred to me; I wonder if that is not really covered by (j)? If somebody gets a real chance to benefit out of a thing of that sort, apparently provision is made there for authorizing it. That subsection (j) gives power to the governor in council to look into it and make sure that it is O.K.; and it seems to me that the purpose of (j) is to give the governor in council a chance to extend these benefits. I was just wondering if you would be satisfied to leave (j) in there to be used to bring in other items such as have been mentioned by the members just now.

Mr. Woods: May I be permitted to say that the utilization of the credit for the purpose of making contributions to other superannuation schemes is dealt with. The number of veterans who have availed themselves of this opportunity is practically nil. I am told that there are approximately only 25 out of 39,000. And there is this further point, that it only applies to the payment of arrears, not to regular contributions to superannuation. As you gentlemen know, contributions to superannuation are made by the deduction of 5 per cent, or whatever it may be, from the current salary; and all that this applies to is payment of arrears—people who have recently been made permanent and have arrears of superannuation to catch up on.

Mr. FULTON: I do not see anything in the Act to limit it to arrears. Would you explain that?

The CHAIRMAN: It says, "payment of premiums under any insurance scheme"; though I suppose it could be paid over a period of, say, 10 years.

Mr. WOODS: I am referring to the payment of contributions to civil service superannuation accounts. Reference was made by one member of the committee to provincial superannuation funds, and by others to the superannuation funds of various companies. This refers to the payment of contributions under section 5 of the Superannuation Act in respect of one's service prior to becoming a contributor. That means that he can only use it for the payment of arrears and not for current payments; and I am told by Colonel Hogan that out of 39,000 men who have drawn their credit, only 25 have elected to use it for that. It is a comparatively minor thing in any event. I would also suggest, Mr. Chairman, that if it is decided by this committee that the re-establishment credit should be used for superannuation in private companies, surely that same argument should apply to the purchase of insurance other than government insurance which they are already permitted to purchase, insurance anywhere.

Mr. COCKERAM: I wonder if we could have any information as to whether or not civil service superannuation payments have been carried on by the government for those who have been away on active service. I would imagine they would be covered under this section.

Mr. WOODS: I cannot speak for the provinces, but I am under the impression that all the provinces kept superannuation in good standing.

Mr. HARKNESS: There might be a point here, that a man should only be allowed to use the money in a way which will do him the most good. There are men who by putting this money into their company's superannuation fund can get an equal amount from the company; in other words, they draw twice the benefits they would be able to get had they been able to use it otherwise than by using it in the ways which are authorized.

Mr. WOODS: I wonder if these two men were under the impression that they could use their credit for the payment of current contributions to superannuations? If so, they are under a wrong impression, because they cannot be so used. The bill provides that it can be only used for arrears; where a man is made a permanent civil servant and they are giving him credit for arrears.

Mr. HARKNESS: I am not talking about the civil service; I am talking about commercial companies. One of these chaps was working in the Imperial Oil and the other chap was working—I have just forgotten what company he was with. But they were both in the same position and both were very anxious to use their credit for their company pension fund. They both applied to do so and were turned down. So that this section (j), as the chairman has suggested, might cover that but apparently is not covering it at the present time.

The CHAIRMAN: You mentioned something about the government approving different schemes. To what extent do they approve of them, do you know?

Mr. CROLL: For taxation purposes.

The CHAIRMAN: Just for the purpose of protecting them. It is for taxation purposes, is it not?

Mr. COCKERAM: And for inspection and audit.

Mr. CROLL: For the purpose of taxation.

Mr. MUTCH: That is just what the audit is for, to protect the taxes.

Mr. CROLL: Yes. It does not make any difference whether they are actuarially sound or not so long as the government gets the taxes.

Mr. COCKERAM: I think they come under the Insurance Act, under Mr. Finlayson. He has some supervision over it.

Mr. CROLL: There are broad principles that they have to apply, but there is the possibility of getting into trouble.

Mr. SINCLAIR: I should like to speak on this company insurance scheme, because there are many operating in my riding. It is quite true, as Mr. Harkness has said, there are these big schemes run by companies themselves into which they make a contribution. But also in smaller industries employing only a handful of men, there are many of these schemes in which the company makes a deal with an insurance company for a superannuation scheme. If we are going to include big company schemes, then obviously we have to include these smaller company schemes. Take these schemes of insurance companies. You must have lots of such schemes where the individual man wants to make contact with the insurance company. If we are going to include the big companies, I say we must throw the thing wide open for insurance and insurance premiums. And when you are talking about veterans being high-pressured into buying furniture, let me say that I do not know of any group in this country who are more likely to sell the veteran a bill of goods than the insurance salesmen in this country.

The CHAIRMAN: I would suggest to the committee that we have a very wide range of things in which any veteran will be able to really usefully invest his credit.

Mr. MUTCH: Question.

The CHAIRMAN: Can we carry this as it is?

Some Hon. MEMBERS: Carried.

Mr. COCKERAM: I should like to see provincial civil servants included.

Mr. CRUICKSHANK: They are included.

Mr. CROLL: Let us get on.

The CHAIRMAN: Is it the pleasure of the committee to carry this?

Some Hon. MEMBERS: Carried.

Paragraph agreed to.

The CHAIRMAN: Then (i) as previously amended reads:—

- (i) Payment of fees and the purchase of special equipment including instruments, books, tools and other equipment required for educational and vocational training other than educational and vocational training provided by the laws of Canada for members of the forces.

May we carry that as amended?

Some Hon. MEMBERS: Carried.

Paragraph agreed to.

Mr. GREEN: There is one thing that really comes under the next last clause.

The CHAIRMAN: That is (j). Clause (j) reads:—

“any other purpose authorized by the Governor in Council.”

That was the question of whether we would have that order in council providing that a person may agree to his re-establishment credit being applied to pay a debt to the crown and providing that it is proper.

Mr. MUTCH: Whose amendment is that?

The CHAIRMAN: That is the present order in council.

Mr. MUTCH: I thought (j) was carried?

The CHAIRMAN: I will read it to the committee again. The operative part of the order in council is as follows:—

Therefore His Excellency, the Administrator in Council, on the recommendation of the Minister of Veterans Affairs, is pleased to order and doth hereby order that re-establishment credit may be made available to a member of the forces eligible therefor for the payment of any debt owing by such member to the Crown.

That is, the money may be made available to him for paying a debt due to the Crown. That is passed or could be passed under (j). The question is this: Is it the desire of the committee to write that into the Act or is it the desire of the committee to leave it to be covered under specific order in council under (j)?

Mr. GREEN: This came up on Friday, and some of the members here this morning were not present on Friday morning. There has been only one order in council passed under the present paragraph (i).

The CHAIRMAN: Paragraph (j).

Mr. GREEN: The paragraph reads: "any other purpose authorized by the Governor in Council"; and this one order in council gives the power to use the credit for the payment of any debt owing by a veteran to the crown.

Mr. MUTCH: Without his consent?

Mr. CROLL: No. "May."

Mr. GREEN: Some of us thought that if it is to be the law, it should be put right in the Act rather than being kept in an order in council where nobody would ever see it. Then there was a further argument on Friday to the effect that it was an unwise provision entirely. Personally I felt that it might be used as a means of pressure to force a veteran to pay income tax or to get a refund from him perhaps for over-payment of an allowance of some kind or other. I think the committee should give some consideration to whether this a wise provision or not.

Mr. MUTCH: Why was the order in council passed? Has any collecting been done under it?

Mr. GREEN: I do not know that. That was not explained on Friday. But it goes very far; in effect, it could be used as a club over the head of the veteran by a government department, and I doubt whether it is wise to make such a provision.

Mr. CROLL: I was not here on Friday, but I gather from what Mr. Green has said about this that there is some doubt in the minds of the committee. I am impressed with the untouchableness of what is owing to the veteran, and I would hate to be a party to letting go of even one tiny part of that. As it is now, he cannot assign it, he cannot pledge it; he cannot do anything with it except get it himself. No one can touch it. I think it would be well if we stayed with that principle and kept the government out of it as well as the rest. It is his and his alone. I think it would be unwise to change that.

Mr. CRUICKSHANK: Are they not in under this order in council, anyway?

Mr. CROLL: Well, if they are in under the order in council, let us pull them out in a hurry.

Mr. CRUICKSHANK: That is fine.

Mr. GREEN: This order in council was only passed last week, the 26th of October, which I say is wrong. It should have been brought up to this committee.

Mr. CROLL: I am not now going to defend the order in council method, Mr. Green. I perhaps agree with you. But it strikes me that if it is in there now, as Mr. Cruickshank quite properly points out, let us undo it immediately, and keep it inviolate so far as any one is concerned. Then we stand by the principle of it.

Mr. WRIGHT: Mr. Chairman, I rather agree with the speakers who have just spoken on this matter, but I think the government must have had some reason for passing it. I am wondering if we could have that reason before we carry this?

Mr. WOODS: The reason for passing this order in council was this. In the first place, I should like to say in reply to Mr. Green the reason for its passing when it did while this committee was in session is that it has been in the process for some time before this committee was established and for one reason or another it was delayed in its passing. That is so far as its being passed now while this committee is sitting is concerned. But the purpose of it was to enable the veteran to use his re-establishment credit to repay moneys that had been loaned to him from a couple of contingency funds that we have; if a veteran reports here tonight and he has not the price of a bed and he has to stop over maybe for two or three days, we can help him from a contingency fund. If he reports to the employment office to take a job, and he needs overalls, mits and so forth, we can, from a contingency fund that we have, on a repayable basis, stake him to that. We can give him some assistance until his first cheque comes in. He may not have the money to repay this unless he is permitted to use his credit for the purpose and it was never intended that this be obligatory, compulsory, that we can compel him to repay. It was to enable him to use his re-establishment credit to square himself with those contingency funds. That was the purpose of it.

Mr. GREEN: Of course, you have had contingency funds for many years. That is not a fund that has just arisen in the last two or three months.

Mr. WOODS: No. Those contingency funds have been in operation for, I would think, three to four years.

Mr. CROLL: Keep them contingent.

Mr. WRIGHT: Could you not limit the order in council to the exact purpose? This order in council is pretty wide.

Mr. MUTCH: Let us just disapprove of it.

Mr. CROLL: I do not think it is a good purpose. I think the government can afford to stake a man.

Mr. WRIGHT: I think so myself. If you are going to pass an order in council at all, it certainly should be limited to the exact purpose which it is supposed to cover, and not left wide open so that you can collect money that is owing to the government for any purpose.

Mr. HERRIDGE: After listening to the discussion, I am personally of opinion that we would be wise to include it in the measure, providing the order in council is amended to this effect, "with the consent of the veteran concerned." I think that would cover the purpose required by the department and be in keeping with the spirit of the Act.

Mr. GUNN: I think it follows, when a man applies for the specific purpose of paying a debt owing to the crown, that he is doing it voluntarily.

Mr. CROLL: He can do it without this. If he has the cash for a debt owing to the crown, he merely gets the money and goes over and pays the money to the crown. I mean, a man's good intentions need not be sort of followed up in that way. What Mr. Woods says, and quite properly, may have appeared to be a very good intention, but it is a bit tough; perhaps there is not much money involved in it, and I think it is not worth sacrificing the principle for these cases that might arise from time to time.

Mr. CRUICKSHANK: Hear, hear.

Mr. LENNARD: Would they not merely hold this payment up unless he paid it up anyway?

Mr. WOODS: No.

Mr. MUTCH: We are sufficiently on record that we take a poor view of the order in council. Let us pass the item the way it is.

Mr. BROOKS: Would there not be the possibility of a man being refused any money from this contingency fund if he was not in a position to repay it?

Mr. WOODS: Definitely. If the government gives us a fund for contingencies, and in the terms of the order in council it states that those shall be repayable, I think that any one administering that fund, before he made a second or third advance from it, if he felt the man was able to repay it, would require that he repay it first. Otherwise we could not preserve it as a revolving fund and it would be dissipated in a month or two.

Mr. CRUICKSHANK: Is there any limit to the amount advanced from this fund? I never heard of this fund before.

Mr. WOODS: Yes. There is a limit on the borrowing of the funds to the extent of \$25 by a district office and \$50 on the authority of the deputy minister.

Mr. GREEN: Mr. Chairman, to bring the matter to a head, I would move that we recommend that this order in council be rescinded.

Mr. CRUICKSHANK: Hear, hear.

Mr. WRIGHT: I second the motion.

The CHAIRMAN: It has been moved by Mr. Green, seconded by Mr. Wright, that we recommend that this order in council be rescinded. Does any one else wish to speak to that? If not, what is your pleasure? Shall it carry?

Motion agreed to.

Mr. CROLL: It is easier to do it here in the committee than in the House.

The CHAIRMAN: May we carry (j)?

Mr. WRIGHT: Before this is carried, I wish to again bring to the attention of the committee the matter of making these grants available to veterans who wish to enter into co-operative arrangements for the purpose of anything that they might need in the course of their business. For instance, a group of veterans, or a few veterans may wish to purchase a fishing boat and co-operate. I think if they do, these grants should be made available to them for that purpose. Another group of veterans, perhaps under the Land Act, might want to buy some piece of machinery, co-operatively to work their land or even veterans settle under the smaller holdings scheme and want to enter into a co-operative basis to purchase a particular implement they needed on their small holdings and which could be used much more economically in that way than by each one owning such an implement himself. I think somewhere under the purposes for which this grant may be used, there should be something which would allow them to enter into a co-operative agreement for the purchase of anything that they wished to purchase. I do not believe there is anything in the Act which will allow it. Perhaps the solicitor could tell us if that is so or not.

Mr. GUNN: There is not, Mr. Chairman. There is nothing in the Act at all at the present time to permit the use of the credit in connection with the carrying on of co-operative enterprises. It is the first time to my knowledge that it has come to the attention of the department but in connection with that I may say we have had a good many applications in the past in which the veteran wanted to buy shares in a joint stock company.

Mr. WRIGHT: That is a different thing.

Mr. GUNN: I am merely mentioning that as a somewhat similar proposition. A cooperative is not a partnership nor is it a joint stock company. We have turned down applications for the purchase of shares in joint stock companies even where the stock in the company is owned entirely by two or three people all of the same family. It has been the feeling of the department that if we once opened the door in that respect we might find veterans applying to use their credit for the purchase of stock in companies that are not altogether—

Mr. WRIGHT: I am not raising that point at all. I agree with you as far as that is concerned, but I say there is a difference between a co-operative and a corporation. They are entirely different things. The purchase of a co-operative boat by a few fishermen to fish is entirely different than buying shares in a corporation.

Mr. GUNN: Would Mr. Wright approve of the purchase of stock in a family-owned company?

Mr. SINCLAIR: You are not working with that. The co-operative fisherman is working with his boat. He does not want to buy stock in a stock company. He is in a co-operative.

Mr. GUNN: In a family corporation all the members are working.

Mr. WRIGHT: I do not know what the different provincial Acts are with respect to co-operatives, but I do know that in the province of Saskatchewan—and I think it is the same in other provinces—there is a co-operative Act. If you form a co-operative you must register under the Act. You cannot form a co-operative unless you do register under the Act. I think there is ample protection in that respect.

The CHAIRMAN: I would point out to Mr. Wright that the purpose of this Act is to protect the veteran. He might go into a co-operative in which he has one vote. He might put all his money into that co-operative and then he might find that with his one vote against four or five other people that he had lost practically the entire benefit of his credit. I am very familiar with the co-operative Act in Saskatchewan. Once you permit a man to put his money into a co-operative society in which he only has one vote I do not see how you can protect him to see that that he gets the full benefit of his investment. I do not see how you can protect him. Suppose five people incorporate as a co-operative farming enterprise and they get a soldier in on it. They get him to put his re-establishment credit in it. He has got one vote in that co-operative company. Then he finds he is in with four gentlemen who may not look at things as he does. He may find that he has put his money into an enterprise where he may not get very much benefit out of it. It seems to me the whole basis of this Act is to try to protect the veteran. When we said he could put his money into a partnership that was with great doubt, but we thought we would limit it to that as in a partnership nothing can be done without the consent of the partner. In a co-operative almost anything can be done within the powers of the co-operative without the consent of that soldier. That is the difference.

Mr. WRIGHT: With the consent of the majority.

The CHAIRMAN: He might be a minority. You can see the point?

Mr. WRIGHT: I see your point absolutely, but I do not think co-operatives are formed for the purpose of gypping soldiers or anybody else.

Mr. MUTCH: Nobody suggests that.

Mr. WRIGHT: There is a suggestion from the chairman.

The CHAIRMAN: No. I am saying that four men might go together and take a soldier farmer in with them. He would put his money in and find that he had no more control over what that money was being used for whereas in a partner-

ship nothing can be done by a partnership without the consent of the partner. There is a legal difference there. I think we should restrict it to putting money into something where he has real control.

Mr. WRIGHT: I feel that especially in the maritime provinces there are going to be soldiers coming back who wish to own a fishing boat co-operatively to fish. I think they are going to feel they are being deprived of a right if they are not allowed to use their re-establishment credit for that purpose. I think it is a perfectly legitimate purpose if they wish to use it.

The CHAIRMAN: All they need to do is to form themselves into a partnership. That is all. Then they can get the benefit of the re-establishment credit.

Mr. CRUICKSHANK: They cannot get the benefit of being in a co-operative. It is all right for these private enterprises, but co-operatives are the salvation of western Canada. I do not think they should be limited in any way at all.

Mr. QUELCH: How would you differentiate between a partnership of four men and a co-operative of four men?

The CHAIRMAN: There is this difference. A partnership has certain laws applying to it. A partnership is four men going in and nothing can be done by that partnership without the consent of the partners.

Mr. QUELCH: Three members could still out-vote one?

The CHAIRMAN: No. Whereas a co-operative or a corporation is an entity, and the soldier who enters into a co-operative or a corporation—and I think this is what the solicitor was getting at—may be in a minority and lose all control of what he has done with his money. I do not see how you can get away from that if you permit him to put his money into any form of corporation, whether it is a co-operative or joint stock company. If the right to put money into partnership does not cover it then, of course, any scheme could be submitted under (j) and it could be made sure that the soldier was protected.

Mr. ASHBY: I quite agree with you that this is to benefit an individual and not an institution as is the case with a co-operative.

Mr. WRIGHT: I still do not see where it would be benefiting an institution if a man goes into a joint co-operative willingly of his own free will. They are not forced into it. I wish to move that this committee ask the solicitor to draft a further clause which will permit the use of these grants for the purpose of joining a co-operative or for the purpose of forming a co-operative. I think these grants should be made available for that purpose. To bring the matter to a head I am going to move that the solicitor be authorized to draft a further clause.

The CHAIRMAN: Does anyone wish to speak to the motion of Mr. Wright?

Mr. BROOKS: I rather agree with Mr. Wright. If there are three or four men and the soldier puts in his \$750 from his re-establishment credit then the other men must also put in \$750 from some other source. They all start equally, and I am satisfied that the soldier is going to have intelligence enough to protect himself with these other men. I do not see where there is any very great disadvantage to the soldier in having his money come from this source or having to raise it from some other source if he wishes to go into this business. I really believe it would help a good many men in the maritimes in fishing. There are three or four men get together. They will buy a small boat. They all operate the boat and receive the benefits and returns from it.

The CHAIRMAN: Could they not start out as a partnership and later form a co-operative once they got the boat?

Mr. BROOKS: I would not argue that, but I do not see that a partnership has such a great advantage over a co-operative. As I understand it if there is a

failure in a partnership one partner becomes legally responsible for the debts of all partners which is a disadvantage in respect to a partnership as compared with a co-operative.

Mr. CRUICKSHANK: I should like to say one more word. I am in accord with Mr. Wright. I think it was mentioned here that no recommendation had been made this way before. If my memory serves me right the provincial convention of the Canadian Legion in British Columbia held at Revelstoke recommended this very action. I cannot see the objection. Apparently there is a general objection to co-operatives on the part of some interests in eastern Canada.

Mr. HERRIDGE: I support Mr. Wright's proposal, but I should like to ask a question. I am not quite clear in my mind as to whether he means that these co-operatives shall be composed solely of soldiers enjoying gratuities under these circumstances?

The CHAIRMAN: No. As I understand it you want to give the soldier the right to put his re-establishment credit into an established co-operative if he wants to or to form a new one.

Mr. CRUICKSHANK: Or establish another.

Mr. WRIGHT: An established co-operative or to form a new one.

Mr. ASHBY: I understand the need for these men co-operating with each other. For instance, in agriculture several of these men may be farming in close proximity to each other and might want to buy a good bull, we will say. It would cost \$300 or \$400 and each of them alone might not be able to pay for a good animal and might only have the money to pay \$50 for a scrub animal, whereas they could co-operate and buy a real good sire which would benefit them all. There is that point. What I object to is the established institution where the individual is submerged.

Mr. QUELCH: I still do not quite understand the point. Is it the proposal that a veteran should be allowed to invest money in any co-operative concern such as a co-operative store, that is, buy a share in it, or is it merely to make it possible for farmers to establish a farm on a co-operative basis? I would be in favour of that, but I would not be in favour of allowing an individual to buy shares in a co-operative store.

Mr. WRIGHT: If Mr. Quelch understands cooperatives in any cooperative store or cooperative organization I have ever known as far as the shares are concerned the shares are only worth from \$1 to \$10.

Mr. QUELCH: In the U.F.A. cooperative stores in Alberta some farmers have invested as much as \$1,700.

Mr. WRIGHT: That is as loaned capital. I do not say as loaned capital but only in the cooperative itself. You can put loaned capital into a cooperative up to practically any amount. I certainly would not suggest that this money be made available to be put into a cooperative in the form of loaned capital but only in the form of an actual share of the cooperative. Loaned capital carries no voting privileges in a cooperative, as a matter of fact, but your \$1 share does carry voting privileges in any cooperative. I am not suggesting that this money be made available for loaned capital purposes but only for the purpose of farming cooperatively or forming a cooperative for some definite purpose. It is quite simple if you understand the cooperative principle.

The CHAIRMAN: If one more leaves we will not have a quorum.

Mr. CROLL: Your time is up anyway.

The CHAIRMAN: Are we going to be able to report the bill or are we going to have this go over until Thursday? Can we not conclude this matter and report the bill?

Mr. SINCLAIR: Question on the motion.

The CHAIRMAN: Is it clear what Mr. Wright's motion is? I take it it is to go into a cooperative with anybody or with other soldiers.

Mr. WRIGHT: With anybody.

Mr. WOODS: May I ask one question in that connection? Suppose three chaps encountered a soldier and asked him to go in with them on a cooperative basis and to use his credit to buy a tractor, for example. He is a first division man and his credit is enough to buy a tractor. He purchases the tractor and he goes in with them on a cooperative basis. Later on because of his wife or different reasons he wants to pull out. Has he forfeited title to that tractor? Does it become part of the cooperative? Does he lose possession of it?

Mr. CROLL: He must.

Mr. WRIGHT: I would say that he would if he wished to pull out unless there was some arrangement in the cooperative whereby he was allowed to withdraw his capital, which is quite often the case where you wish to withdraw from most cooperatives. I do not know all the cooperative Acts under which cooperatives may be formed but that again would be up to your department. If he wanted to go into the deal you would naturally see the deal he was going into just the same as you see the deal he is going into in any other case. If the deal was such as you have mentioned you could easily say, "No, we are not prepared to permit this man to go into this particular cooperative." But there should be a provision whereby under a proper cooperative he could use his credit for that purpose. Your department would still have the right, just the same as you have the right to see that he buys good furniture, to see that he enters into a proper cooperative.

Mr. WOODS: If this committee so changes the Act or requires us to make credit available to veterans going into cooperatives, as an administrative officer I would not want to be put in the position of saying that I refused it to this cooperative or that cooperative and the other.

Mr. WRIGHT: You are not refusing it to one store-keeper who may be trying to gyp the veteran in the sale of furniture. You are prepared to take that responsibility. I do not see why you should not be prepared to take the responsibility with respect to cooperatives. If he goes to buy any business, you inspect the business and say, "no; I do not think it is a good buy" and you will not make the grant. I do not see why you should not be prepared to exercise that judgment with respect to cooperatives just the same as with respect to any business.

Mr. WOODS: If it is a partnership and I can provide that this tractor is his property and he is willing to make it available to the rest for their use, but it is his all the time and he is free to pull it out any time, that is a little different than his relinquishing it and submerging his own assets in the proposition as well. The partnership clearly defines his interest and it preserves his interest.

Mr. WRIGHT: You are speaking as though this man would buy the tractor completely himself.

Mr. WOODS: Yes.

Mr. WRIGHT: And the other man not put in anything.

Mr. WOODS: No. I am assuming that they will too.

Mr. WRIGHT: No cooperative is operated on that basis. Everybody is equal in a cooperative and it would be impossible for one man in a cooperative to purchase a tractor and the other men put in nothing.

Mr. ASHBY: There is nothing in the Act to prevent two men getting together?

Mr. WOODS: No.

Mr. ASHBY: That is all.

Mr. PROBE: Mr. Chairman, there is an actual stipulation in the Veterans' Land Act permitting two fishermen to buy a boat jointly.

Mr. WOODS: That is right.

Mr. PROBE: I asked a question in the House of Commons some time ago with respect to the number of veterans who had been re-established in the fishing industry and the answer was that up until the first of September there had been 15 veterans who had taken advantage of it; that is, where settlement as between the Veterans' Land Act and the prospective fishermen had been reached. In other words the Act is not being taken advantage of by fishermen, and the reason is that they cannot with \$1,200 for equipment—

Mr. SINCLAIR: And boat.

Mr. PROBE: Well, yes, fishing equipment. \$1,200 is an inadequate amount to set them up in the fishing business. Even though there is a provision for two fishermen to operate jointly and use the \$2,400 provided under the Veterans' Land Act, there is not one case of a co-operative—that is up until September 1—or partnership deal, shall we say, affirmed with the Veteran's Land Act people. The reason is that \$2,400 also is not enough to go into the fishing business. While I was in Nova Scotia some time ago I spoke to a man who had considerable experience in the fishing business. He suggested that we take up in this veterans' committee the possibility of a group of these men being allowed to buy a corvette. That was what he mentioned specifically. That would require a fairly large number of veterans coming in. He wanted to use this corvette as a master, sort of parent vessel; and the idea was that they use the gear which they themselves had and go out to the banks and actually engage in fishing as a business. I know nothing about fishing.

Mr. SINCLAIR: I can see that.

Mr. PROBE: As an industry. That is all right. In response to Mr. Sinclair's amusement may I say that this man did consider it was a feasible proposition to operate on such a plan whereby the combined assets of a group of people could be tied in with the purchase of a navy corvette which could be used as a storage vessel while they engaged in their fishing operations off the Banks. As a non-fisherman that sounds like a feasible proposition to me, but under the terms of the regulations which we have passed it is impossible for men to combine. In other words, the Act is valueless, and the number of people taking advantage of it indicates it is valueless, to permit them to go into that type of business.

Mr. QUELCH: Is it not true that this Act does not limit it to two? Four, five or six can go into a partnership.

Mr. GUNN: Any number.

Mr. PROBE: Provided they retained the identity of their particular equipment I do not think this Act can stop them. I believe that is true, but they cannot get a large item of equipment as, for example, this corvette. I am not saying that I think a corvette is practical. I do not know. I am not a fisherman. I am prepared to admit that, but these men say it is possible.

Mr. QUELCH: On page 3, section (r) it says:

"Purchase of a business" includes the purchase of an interest in an existing partnership and the advance of capital for a new partnership. So there would be no limit to the number of men. A dozen could go in.

Mr. PROBE: If that is the case then Mr. Wright does not need to bring up specifically his suggestion as to co-operative ventures.

The CHAIRMAN: That is my point.

Mr. PROBE: At the same time you are arguing against it, Mr. Chairman.

The CHAIRMAN: No. What I am pointing out is if you give him permission to throw his money into a co-operative or any other form of corporation he loses control over his property whereas by bringing them in as a partnership—and a partnership may be more than two people, it may be twelve or fifteen people—then he retains his individual control over that property. What Mr. Wright is suggesting is that they shall be able to put their money into a co-operative incorporated under the laws of any province. We do not know what all the laws are of any province except Saskatchewan. That is as far as Mr. Wright and myself are concerned. Frankly I believe if they have the right to go together on a co-operative basis as a partnership you have not opened the doors as wide as suggested by the amendment but, of course, it is for the committee to say.

Mr. QUELCH: I think Mr. Wright's suggestion would more properly come up under the Veterans' Land Act which apparently is limited because the rehabilitation credit could not be used in conjunction with the Veterans' Land Act except under section 13.

Mr. HERRIDGE: In support of Mr. Wright's proposal, may I say that there are a number of men with experience in the lumber industry who have gone overseas and have come back. They have been employees in years past. I know of several cases where they are anxious to get together in the operation of a small portable mill or a small logging operation. While the partnership idea sounds feasible anyone knows that to carry on that type of operation successfully over a long term of years these men are far better under an incorporated body. I know of several instances of men who wish to go into co-operative logging and small lumbering operations. I think the committee should give further consideration to Mr. Wright's proposal.

Mr. MOORE: I would second that.

The CHAIRMAN: We are now past the time of adjournment. It looks as though it would take us another half an hour or an hour so we may as well adjourn until Thursday.

The clerk of the committee has received a letter from the Canadian Legion War Services Incorporated dated Ottawa, November 2, 1945, which contains the following information:—

	On Strength	Returned to Canada and Discharged
Salvation Army	114	56
Knights of Columbus	139	24
Y.M.C.A.	192	76
Canadian Legion War Services (Four are on strength in Canada, making a total of 80 returned)	140	76

Mr. WRIGHT: May I ask the solicitor to have a clause drafted which would permit what I have suggested? That will bring it to a head and we will have something definite to go on. I am not going to try to draft the clause because if I drafted it you would pick it to pieces on the basis of my drafting rather than on the basis of the principle. Therefore, I am going to ask the solicitor to draft a clause.

The CHAIRMAN: Thursday at 10.30.

The committee adjourned at 12.40 p.m. to meet again on Thursday, November 8, 1945, at 10.30 o'clock a.m.

SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

THURSDAY, NOVEMBER 8, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Lieut.-Col. W. J. Lawson;
Brigadier J. A. de Lalanne, C.B.E., M.C., Vice-Adjutant General;
Commander S. C. Sharpe;
Air Commodore J. MacL. Murray, C.B.E.

MINUTES OF PROCEEDINGS

THURSDAY, November 8, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Brooks, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Herridge, Isnor, Jutras, Marshall, Mackenzie, MacNaught, McKay, Moore, Mutch, Quelch, Sinclair (*Vancouver North*), Tucker, Viau, Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Lieut.-Col. W. J. Lawson; Brigadier J. A. de Lalanne, C.B.E., M.C., Vice-Adjutant General; Commander S. C. Sharpe; Air Commodore J. MacL. Murray, C.B.E.

Consideration of the proposed draft bill to amend The War Service Grants Act, 1944, was resumed.

By leave of the Committee, Mr. Wright withdrew his motion that the law officers of the Department of Veterans Affairs be requested to draft a further amendment to clause 9 (1) to permit the use of the gratuity credit for the purchase of a share in a cooperative, and it was agreed that the matter be referred to a sub-committee to be named by the Steering Committee.

Sub-clause (1) of clause 9, as amended, sub-clause (2) of clause 9, and clauses 10 and 11 were adopted.

That part of clause 12 relating to section 12A of the Act was adopted without amendment.

Mr. Woods, Mr. Gunn, Col. Lawson, Brigadier de Lalanne and Commander Sharpe were recalled and questioned.

It was agreed that the appropriate officers of the three armed services be asked to confer and draft an amendment to clause 13 for submission to the Committee at its next meeting.

That part of clause 14 relating to section 17A of the Act was adopted without amendment.

Clause 15 was amended to read as follows:—

15. Section 20 of the said Act is repealed and the following substituted therefor:—

20. (1) No gratuity payable or credit available to a member of the forces or his dependents shall be subject to attachment, levy, seizure or assignment under any legal process or to taxation.

(2) No such gratuity or credit or any part of either may be assigned, charged, anticipated, commuted, given as security or otherwise dealt with and any purported assignment, charge, anticipation, commutation, or other transactions relating to the gratuity or credit made, entered into, or completed contrary to the provisions of this section, shall be wholly void and of no effect.

Mr. Mutch moved that commencing on Monday, November 12, the Committee sit while the House is sitting.

By leave of the Committee, Mr. Mutch withdrew his motion and it was agreed that the matter be referred to the Steering Committee.

At 12.40 o'clock p.m., the Committee adjourned to meet again on Friday, November 9, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
NOVEMBER 8, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item is in connection with section 9, paragraph (b). There seems to be some doubt as to whether or not we carried section 9, subsection (1), paragraph (b).

Mr. CROLL: What page is that?

The CHAIRMAN: That is page 7, subsection (1), paragraph (b), "the repair or modernization of his home." I was under the impression that was carried. However, there was some suggestion that it was not carried. May it be carried now?

Some Hon. MEMBERS: Carried.

Paragraph agreed to.

The CHAIRMAN: That is carried, then. The next item is the motion of Mr. Wright in regard to providing that in some way the re-establishment credit may be used for the purpose of entering into a cooperative or subscribing part of the capital of a cooperative.

Mr. MARSHALL: What section is that?

The CHAIRMAN: That would be added as another purpose, or another use to which re-establishment credit may be put.

Mr. CRUICKSHANK: It came in under (j).

Mr. CROLL: It came up under (j) at the bottom of page 8. We were discussing it under (j).

Mr. GUNN: Clause 9, Mr. Chairman.

The CHAIRMAN: It is also clause 9, of course. It was suggested that the departmental solicitor draft some sort of a section and he has great difficulty in knowing just what the wish of the committee is in the matter. Is it the wish of the committee that a man should be open to put his re-establishment credit into a cooperative in which he would not personally engaged in farming or is it the wish of the committee to restrict it to a cooperative in which he would be personally engaged as in a partnership? That is one of the vital questions. Before the solicitor was in a position really to draft a proper amendment, that was one of the things that confronted him. I just wonder if the committee could give further direction in that matter and make some decision.

Mr. WRIGHT: As I introduced the matter, may I say that it was my intention that it would only be where the soldier was personally engaged in the occupation that he was going into the cooperative to perform; that is, that in buying a fishing boat he would be one of the partners in the cooperative, certainly not in something in which he himself was not engaged personally.

Hon. Mr. MACKENZIE: I wonder if I might say this. I am sorry I was not here the other day when Mr. Wright moved this. Was it an amendment or a suggestion?

Mr. WRIGHT: It was a suggestion for a further clause.

Hon. Mr. MACKENZIE: May I say that I have certain responsibilities in this matter, as my honourable friend well knows. These suggestions made here must be referred to my colleagues in council for consideration. I would therefore ask that the matter be dealt with other than by a specific amendment. If the committee is in favour of the government considering for presentation to the House something along the lines suggested by Mr. Wright, I would ask that it be done by a general recommendation to parliament rather than in the way of a specific amendment. After all is said and done, we have the final responsibility of recommendation to parliament in all these matters. We certainly appreciate the recommendations of this committee and as far as possible will act upon them. I am personally in favour of cooperatives, but I am in favour of preserving the individual right of the ex-service men; and at the present time my mind is not settled in regard to the advisability or non-advisability of that suggestion. I would therefore suggest, Mr. Chairman, that if the committee is going to make a recommendation, it be made in general terms to parliament. Then, of course, I will have the responsibility of taking it before the council and presenting to parliament such decision as council arrive at.

Mr. SINCLAIR: Along that line, I would suggest that a subcommittee be formed. Some of us here have very hazy ideas about cooperatives. Certainly a subcommittee of members with some knowledge of cooperatives could bring forward much better suggestion or amendments than any that could be suggested in this larger group of 50 or 60, among whom there are some who have very hazy ideas about cooperatives.

Mr. QUELCH: I think there should be some clarification on that. As far as I understand it, if the amendment is passed to allow a veteran to invest his re-establishment credit in a cooperative, although he is a working partner, then we have departed from the principle, inasmuch as the Act states now that title to whatever he buys must be in his own name. He must have an absolute, clear title to what he buys. In a cooperative apparently it would be in the name of possibly 5 or 6 individuals. What would be the position in the event of a partnership where you had 5 individuals? Would he, as an individual, have the right to withdraw taking his share with him?

The CHAIRMAN: It would depend upon the partnership agreement.

Mr. BENTLEY: That is pretty well covered by the provincial cooperative laws. The equity of the individual in a cooperative is pretty well protected in that matter. If this hypothetical returned man were to invest with several others in a cooperative enterprise where they are all going to be working at it, it would be done under the cooperative laws of the province where that enterprise takes place. The result would be that if for any reason he wanted to withdraw, every province with cooperative laws has a withdrawal clause where a member may withdraw and take his equity out. So in that case his equity would be protected there.

The CHAIRMAN: Are you sure if his money was used to buy machinery, that he could forthwith withdraw and take his equity out?

Mr. BENTLEY: If you will refer to the cooperative laws you will see what is provided. I do not want to go into this. A subcommittee would be better. It would take up too much of the time of the committee if I went through the whole thing. I think the chairman must recognize that in matters of this kind, in a cooperative where an individual goes in with others, there is a certain amount set up as share capital which becomes withdrawable in the case of transfer to another cooperative or leaving the cooperative altogether. In the case of the balance of capital, it is generally set up as loan capital and becomes a first charge on the institution.

Hon. Mr. MACKENZIE: May I ask a question there. Suppose I am a veteran coming back from this war and suppose this committee or the government or parliament authorizes the placing to my credit of \$1,000 in a co-operative. Am I with other veterans in that organization or am I associated with those who are non-veterans, with my interest being non-withdrawable?

Mr. BENTLEY: I could not speak for all the provinces. I would have to read the cooperative laws. But in the province of Saskatchewan, as under the new cooperative farming section of that Act is drawn up, you would become a partnership, a cooperative partner in that so long as you worked at it and wanted to stay there. But there is a withdrawal clause, so you could leave the institution and have your equity returned to you.

Hon. Mr. MACKENZIE: My point is this. I am sorry I did not make it clear. Suppose you have a cooperative organization and 90 per cent of the members, let us say for the purpose of argument, are ex-service men; and suppose my credit of \$1,000 as an ex-service man is placed in that cooperative. Is it the suggestion that is made by my friend Mr. Wright that my credit shall be placed in a cooperative organization which is not controlled by those who have had service with the forces?

Mr. BENTLEY: That could be the case if he went in with non ex-service people.

Hon. Mr. MACKENZIE: That is what I am afraid of.

Mr. BENTLEY: However, he would be free in the matter. He does not have to go into this. We are trying to give him permission to do that if his own desire is that way, not to force him in or put him in a position where he has to do something like that; we are just trying to give him the opportunity to do this if he likes it that way.

Mr. CRUICKSHANK: I would second the motion that we set up a subcommittee. My conception of the British Columbia cooperative does not coincide with the Saskatchewan one at all, and I am a member of it.

The CHAIRMAN: It is moved that this matter be referred to a subcommittee. I myself think that is an excellent idea, because this will affect other Acts as well as this; it will probably come up under the Veterans' Land Act too. So I think a committee might study anything that might be regarded as something on which we could make a recommendation to parliament and then report back to this committee. Is it the pleasure of the committee to adopt that motion that a subcommittee be set up?

Some Hon. MEMBERS: Carried.

Motion agreed to.

The CHAIRMAN: I should like to have suggestions from the steering committee in regard to the subcommittee and I will have it tomorrow morning.

The next item is on page 9 of the draft bill, subsection (2) at the top of the page. That provides, as you can see, for ownership and possession of furniture or household equipment to pass to buyer; there is prohibition of conditional contract whereby he can put some money in and then ultimately lose it. Is that section carried?

Some Hon. MEMBERS: Carried.

Subsection agreed to.

The CHAIRMAN: May we carry section 10 which is as follows:—

Exceptions to entitlement—officer and naval warrant officer

10. Section eleven of the said Act is repealed and the following substituted therefor:

"11. No officer and no warrant officer of the naval forces, and no officer of the military or air forces, shall be entitled to any benefits under

this Act if, since the tenth day of September, one thousand nine hundred and thirty-nine,

(a) he is cashiered or dismissed from the service by a sentence of a court-martial;

(b) he is deprived of his commission or warrant by reason of misconduct;

(c) he is called upon to retire or to resign his commission or warrant by reason of misconduct;

(d) his resignation is accepted by reason of misconduct."

Mr. GREEN: That was carried before.

Mr. CROLL: No.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Is that carried?

Mr. GUNN: With a slight amendment, the deletion of the words, "since the tenth day of September, one thousand nine hundred and thirty-nine."

Mr. CROLL: That is 11.

The CHAIRMAN: That is in section 11, yes.

Mr. GUNN: Clause 10 of the bill.

Mr. CROLL: Clause 10 of the bill.

The CHAIRMAN: It is to provide for the case where a man goes overseas before the war and he can still get the gratuity.

Mr. CROLL: What is the amendment?

The CHAIRMAN: Deleting, "since the tenth day of September, one thousand nine hundred and thirty-nine."

Mr. CROLL: All right.

The CHAIRMAN: Is it carried, with that deletion?

Hon. Mr. MACKENZIE: What is the effect of that?

The CHAIRMAN: I will just read it:—

11. No officer and no warrant officer of the naval forces, and no officer of the military or air forces, shall be entitled to any benefits under this Act, if since the tenth day of September, one thousand nine hundred and thirty-nine,

(a) he is cashiered—

I do not think we should strike that out. You are confusing that with another section, Mr. Gunn.

Mr. WOODS: I do not see the point.

The CHAIRMAN: The idea is if a man was cashiered before the outbreak of war, it would not affect his rights under this Act.

Mr. GREEN: Then it should stay in.

The CHAIRMAN: I think it should stay in, yes.

Mr. GUNN: Mr. Chairman, it is redundant, in my opinion, for the reason that we now have that condition in the definitions.

Mr. CROLL: Oh, yes. But it makes for clarification.

Mr. BROOKS: I do not think it hurts to leave it in.

Mr. GUNN: The definition of discharge is this, Mr. Chairman:—

"discharge" means ceasing to serve on active service in the forces since the tenth day of September, one thousand nine hundred and thirty-nine.

That is the only reason that we suggested that it might be omitted in those two particular sections.

The CHAIRMAN: I think that covers it. "Discharge" means ceasing to serve in the forces. A man might have been cashiered before that date, and it is to protect him against anything that happened to him before the war.

Mr. SINCLAIR: Carried as is.

The CHAIRMAN: It does not do much harm in there and it is an additional protection.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Is it the pleasure of the committee to carry it as it is?

Some Hon. MEMBERS: Carried.

Section agreed to.

The CHAIRMAN: And Section 11:—

11. Section twelve of the said Act is repealed and the following substituted therefor:

Exceptions to entitlement—seaman, soldier or airman.

"12. No seaman, soldier, or airman shall be entitled to any benefits under this Act if he has been discharged since the tenth day of September, one thousand nine hundred and thirty-nine,

(a) having been sentenced to be discharged with ignominy or, in the naval forces, to dismissal with or without disgrace;

(b) by reason of his having been convicted by a civil court or by court-martial during his service;

(c) for misconduct.

"misconduct."

(2) A seaman who was discharged for the stated reason of "services no longer required" and a soldier or airman who was discharged for the stated reason of "misconduct" shall be deemed to have been discharged for misconduct for the purposes of section twelve of this Act."

Some Hon. MEMBERS: Carried.

Section agreed to.

The CHAIRMAN: Then section 12A: entitlement on rejoining forces after discharge.

Mr. SINCLAIR: Carried.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

Hon. Mr. MACKENZIE: I am sorry but I should like to ask a question. What is that?

The CHAIRMAN: That is where a person is discharged for reasons of misconduct and rejoins, he is not disqualified.

Hon. Mr. MACKENZIE: Yes.

Mr. COCKERAM: That applies to officers as well, does it not?

The CHAIRMAN: Yes, officers and men. "Member" is defined as a person who was on service in the forces.

Hon. Mr. MACKENZIE: Suppose he rejoins for active service or he joins after the war? What does it include?

The CHAIRMAN: It reads:—

12A: Where a member is discharged for any of the reasons or in any of the circumstances set forth in section eleven or section twelve of this Act and subsequently rejoins the forces he shall not be disqualified under the said sections from receiving benefits under this Act in respect

of his services after he so rejoins, by reason only of his conduct prior to such discharge.

Hon. Mr. MACKENZIE: That is all right.

The CHAIRMAN: Is this carried?

Mr. QUELCH: This cuts out the bar insofar as the early part of the section is concerned.

The CHAIRMAN: Yes.

Mr. SINCLAIR: Before we pass clause 12, as I understand it Brigadier Topp at one of the earlier sittings said he might be prepared to give to this committee the details of the cases of misconduct in which he and his board would be inclined to grant gratuities and those cases in which at the present time, under the present setup, they would not be inclined to grant them. Just before we pass 12, I wonder if we could have that?

The CHAIRMAN: If it is the wish of the committee to have it, we could do so. Of course, the difficulty about that, I might point out to the committee, is that while Brigadier Topp can speak for this present board, he cannot necessarily speak for the board which will be set up under this Act when it is passed, because on that board there will certainly be an additional member representing the organized veterans.

Mr. CROLL: One of the great reasons that we were willing to let a great number of things drop and not argue about them was the fact that we were assured that Brigadier Topp would be on that board and we felt that that was our great safety valve; and no matter who may be appointed to the board, so long as he is there, that confidence will remain with us.

The CHAIRMAN: If the committee wishes to have a statement from him, all right.

Mr. GREEN: Has that not all been dealt with at great length already?

Mr. CRUICKSHANK: Yes.

The CHAIRMAN: Yes, I think so.

Mr. GREEN: It is not merely repetition?

Mr. CROLL: Let it go.

Mr. BROOKS: Mr. Chairman, there is one point I was not altogether clear on. I had a letter from a young chap this morning who is thinking of joining the air force again. He has been discharged and he was going to take up educational work. Now he has changed his mind and thinks he will join this interim air force. He wants to know, if he decides to join this interim air force, whether he will have all the educational advantages perhaps in a year's time or two years' time when he might be again discharged from the force. I do not know whether it is covered in the regulations or not.

Hon. Mr. MACKENZIE: My impression is that that was covered by the order in council yesterday, that he was protected until 31st of March, 1946; but if after that he elects for permanent service, the temporary benefits we give him now will lapse on the 31st of March, 1946. I tabled that in the House yesterday and sent a copy to Mr. Diefenbaker in the House.

Mr. CROLL: But did you not do that in the House in reply to a question? Is that what you have reference to?

Hon. Mr. MACKENZIE: Yes.

Mr. CROLL: As I understood it from Mr. Brook's question, he is only protected until the 31st of March, 1946.

Hon. Mr. MACKENZIE: That is right.

Mr. CROLL: But he is talking about two years hence.

Mr. BROOKS: That is if he is in the armed forces for two years, he wanted to know if he will be permitted at the end of the two years to have these additional advantages.

Hon. Mr. MACKENZIE: As I understand it, on the 31st of March next year he has got to elect as to whether he will be discharged or whether he will join the forces or not.

Mr. CRUICKSHANK: It was not your order in council.

Hon. Mr. MACKENZIE: It was not from my department. It was from the Department of Labour, but I tabled it.

Mr. CRUICKSHANK: There was an order in council passed that the employer must reinstate him?

Hon. Mr. MACKENZIE: No. That went only to the 31st of March, 1946, and the reason for that was this. It was considered to be more as a compromise, having regard to the extension of the terms to 31st of March, 1946, inasmuch as it might be rather unfair to industry to keep them waiting too long, if the man elects to join the permanent forces. I think it is unfair to the employer to keep him waiting for two years or more in regard to reinstatement. I think this is a fairly reasonable compromise, if you examine that order in council that was tabled yesterday.

Mr. BROOKS: I was not referring to employment under it. This boy is only 19. I was referring to the educational end. Suppose he is discharged in six months' time or after the 31st of March, on account of his category or something. Surely that boy should have some consideration for further educational benefits.

Mr. WOODS: The Post-Discharge Re-establishment Order at the present time provides that the veteran must make application for his course within 15 months after he is discharged from the service. When the government's policy is finally crystallized with respect to this interim force, there may be adjustments to make in the Post-Discharge Re-establishment Order to comply with that. For example, on the question of gratuities, whilst it has been stated that March 31, 1946, is going to be the cut-off basis for earning gratuities, I am not aware that has yet been enacted.

The CHAIRMAN: No. I do not think so.

Hon. Mr. MACKENZIE: Just in the statement; no legislation.

Mr. WOODS: That is what I say. When the government policy is finally crystallized, we can envisage that adjustment will be made in that Post-Discharge Re-establishment Order.

Mr. BROOKS: Then the answer, as I understand it, is that this boy would take his chance on readjustment being made later on.

Mr. CROLL: That is right.

Mr. CRUICKSHANK: I should like to ask one question in connection with what the deputy minister said. There may be adjustments coming, but it is very difficult for an employer. I do not see how you can possibly expect an employer to hold a job open for longer than that time. In fairness to the men coming back now, if the man has got to hold the job for two years, how are these men coming back going to get work? I think that should be definite, whatever the dead-line is. How is the employer going to plan his business for the next generation if he does not know.

Mr. WOODS: I would point this out to Mr. Cruickshank; as the minister said the Reinstatement in Civil Employment Act is administered by the Minister of Labour and not by my department. When I stated that we can envisage some adjustments in the Post-Discharge Re-establishment Order which provides training, I was referring to the question raised by Mr. Brooks.

Mr. GREEN: Mr. Chairman, I have here that order in council entitled, "Ordered in Council *re* Post-Discharge Benefits to Members of the Armed Forces who are accepted for Service in an Interim Force." It is P.C. 6638 and was passed on the 23rd of October, 1945. Again I suggest that might have been referred to this committee before it was passed.

Hon. Mr. MACKENZIE: It is now.

Mr. GREEN: Not by the minister or the deputy minister.

Hon. Mr. MACKENZIE: I said in the House everything was referred to this committee.

Mr. GREEN: I wonder if the minister could explain what that order in council was intended to cover.

Mr. WOODS: The order in council authorizes payments in re-establishment credit to be available *re* payments of any debts due to the Crown.

Mr. GREEN: That is not the one.

Hon. Mr. MACKENZIE: It is 6638.

Mr. WOODS:

Order in Council *re* post-discharge benefits to members of the armed forces who are accepted for service in an interim force.

P.C. 6638

AT THE GOVERNMENT HOUSE AT OTTAWA

TUESDAY, the 23rd day of October, 1945.

PRESENT:

HIS EXCELLENCY

THE ADMINISTRATOR IN COUNCIL:

Whereas the Minister of National Defence, with the concurrence of the Minister of Veterans Affairs, the Minister of National Defence for Naval Services, and the Minister of National Defence for Air, reports that,—

- (a) Certain discharge and post-discharge benefits are, subject to the provisions of the pertinent Acts, Regulations and Orders, available to members of the forces upon their ceasing to serve on active service.
- (b) Pending the re-constitution of the permanent naval, military and air forces, it is intended that there will be established interim forces composed of those members and former members of the naval, military and air forces who, having offered to serve therein until 30th September, 1947, are accepted for such service.
- (c) Under existing Law, a person who has been accepted for such service as aforesaid may cease to serve for reasons which would disentitle him to certain discharge and post-discharge benefits. It is considered desirable, therefore, that in respect of such persons their eligibility for or entitlement to such discharge and post-discharge benefits as aforesaid which they would have had or enjoyed if they had ceased to serve on active service immediately prior to 1st September, 1945, shall not be impaired or affected by any matter or thing arising during their service subsequent to 1st September, 1945, which would otherwise have disentitled them to or precluded their enjoyment of any of such benefits.

Hon. Mr. MACKENZIE: They are covered.

Mr. GREEN: Read the operative part.

Mr. WOODS:

And Whereas by reason of the War, such provision is deemed necessary for the security, defence, peace, order and welfare of Canada;

Therefore, His Excellency the Administrator in Council, on the recommendation of the Minister of National Defence, concurred in by the Minister of Veterans Affairs, the Minister of National Defence for Naval Services and the Minister of National Defence for Air, and under the authority of the War Measures Act, is pleased to make and doth hereby make the following Order:—

ORDER

1. For the purposes of this Order:

- (a) "benefit" means any pecuniary or other advantage payable or available to a member of the naval, military or air forces of Canada under the provisions of any Act of the Parliament of Canada (except the Militia Pension Act) or Order of the Governor General in Council by reason of his having served on active service therein during the present War, to or for which he may be entitled or eligible upon his ceasing so to serve;
- (b) "member of an interim force" means a member of the naval, military or air forces of Canada who has offered to serve in any of the said forces for a specific period terminating on or after 30th September, 1947, and who, having been accepted for such service, is so serving.

2. A member of an interim force who ceases to serve therein, for reasons which would disentitle him to a benefit shall, in respect of such benefit, be deemed to have ceased to serve on active service on the 1st day of September, 1945, and any entitlement to or eligibility for that benefit shall, in respect of such member, be determined accordingly.

A. D. P. HEENEY,

Clerk of the Privy Council.

Mr. GREEN: Does that mean if he withdraws?

The CHAIRMAN: Colonel Lawson drew that. He could probably explain it better than the deputy minister because he studied it and drew it.

I should point out, as a matter of fact, that I permitted this to go on because I know there is a great deal of interest in it. Members are getting letters about it, but this would ordinarily come up when we are considering the Post-Discharge Re-establishment Act which will come up after we have considered the Veterans' Land Act. At that time it would have been submitted to the committee, but now it is opened we may as well have the explanation of Colonel Lawson on it.

Mr. GREEN: I think that covers all benefits. Does that not also cover gratuities?

The CHAIRMAN: We are proposing a definite provision in this bill in regard to gratuities.

Mr. GREEN: You see here is the case which is in doubt. It is the case of the boy who goes from the active service forces to the interim forces. As I read that order in council he is only entitled to his benefits as of September 1st, 1945, if he gets out of the interim force before he has completed his term of two years but if he serves for two years in the interim force then he loses all his rights which he now has for having served in the active forces.

The CHAIRMAN: Under this proposed bill the right to accumulate gratuities would expire on March 31st next year. This bill will definitely provide when he

is to get payment of those gratuities, if he has not drawn them, if he goes into the interim force. That is the only way in which this Act is involved.

Mr. GREEN: Where is that provided?

The CHAIRMAN: It is provided under section 13.

Mr. CRUICKSHANK: Why not have Colonel Lawson explain it?

Mr. GUNN: Mr. Chairman, I think this may be the appropriate time to mention that we have an amendment ready—I was going to bring it in a little later under another section which was more appropriate—to take care of the question that has arisen this morning. It would be like this if we introduced this into this bill:—

No member of the naval, military or air forces shall be deemed to have been discharged or ceased to serve for the purposes of this Act by reason of the fact that the force in which he is performing continuous service has ceased to be on active service.

Mr. BROOKS: I do not think that covers the case at all. The case I mentioned was that of a boy who had already been discharged. He is not continuing on but is re-enlisting again. He wants to know if he will get the benefits.

The CHAIRMAN: You understand it does not arise under this Act.

Mr. SINCLAIR: Section 13 covers it.

The CHAIRMAN: It is already covered in the Act.

Hon. Mr. MACKENZIE: Let us hear Colonel Lawson.

Colonel LAWSON: In connection with people serving in the interim forces there are two problems in regard to rehabilitation benefits. The first problem we have to consider is the man who has served well all during the war and who volunteers for the interim force, is serving in the interim force, misconducts himself and is discharged for misconduct. It was felt by the services that the benefits he had earned as a result of his good service during the war should not be prejudiced by anything he did in the interim forces. Therefore, this order in council which has been read to you was passed. The effect of that order in council is that if a man during his service in the interim force misconducts himself and is discharged for misconduct he still gets all of the rehabilitation benefits to which he would have been entitled if he had ceased to serve on the 1st day of September, 1945. That covers that case.

The second class of case we had to consider was this. Many of the rehabilitation benefits must be applied for within a definite time during which they are available. That is, if you want educational benefits you must apply for them within fifteen months. That is an example. Generally speaking these things become available to everybody once the force ceases to be on active service. Take a man in the interim forces. We will say the force ceased to be on active service on the 1st of October. The time within which he could apply for educational benefits would start to run as of that date. Therefore, we have to protect him so that when he gets out of the interim force he still has the same opportunity to apply for educational benefits—which I am using only as an example—as any other man. So we are proposing that there should be inserted in the various bills which are coming before this committee dealing with the other benefits a section which will read somewhat as follows. It will have to be adapted to suit the particular language of each bill as it comes up.

No member of the naval, military or air forces shall be deemed to have been discharged or ceased to serve

or whatever the word may be—

for the purposes of this Act by reason only of the fact that the force in which he is performing continuous service has ceased to be on active service.

We feel that will protect the rehabilitation benefits of members of the interim forces until such time as they cease to serve in the interim forces.

Hon. Mr. MACKENZIE: I understand Colonel Brooks raised the question of the man who was discharged and then rejoined again, and his service was broken. Therefore he does not enjoy any continuing service benefits; is that correct?

Colonel LAWSON: That is right.

Mr. BROOKS: This presupposes that the man is still in the forces and is continuing on in the interim force. The case I am mentioning is that of a young chap who has already been discharged and now wishes to join the interim force, but he wants to know whether later on he can have his educational and other benefits.

Colonel LAWSON: That suggested section I read could be amended to cover that case. It does not cover it now.

Mr. BROOKS: It will have to be. There will be quite a few of these young men.

Mr. MUTCH: There have been quite a number already.

Hon. Mr. MACKENZIE: I think it would be a very wise thing to do, in regard to unemployment and everything, to carry out that suggestion. I think the committee might give some attention to the point.

Mr. MUTCH: We might suggest that the proposed amendment be amended to cover that case.

The CHAIRMAN: I again say in regard to the suggestion that it was not properly laid before the committee. It should have been laid before the committee when it properly would have come before the committee, and that is when we are considering the post-discharge re-establishment order. We would have been prepared then to lay that order in council before the committee and discuss it. I have suggested before to other members that we would not permit discussion of matters we are going to take up later. There are probably many members of this committee who would like to discuss the very thing that has been mentioned. That is what I had in mind. This question of the benefits under the post discharge re-establishment order is not properly discussible at the present moment.

Mr. GREEN: I do not want to get into any controversy over this matter because it has been settled but I would point out to you, Mr. Chairman, that this order in council also refers to benefits under this Act.

The CHAIRMAN: I wonder if that is correct.

Mr. MUTCH: Let us get on.

The CHAIRMAN: Colonel Lawson, should the order in council you have mentioned in regard to post discharge re-establishment benefits and the suggested amendment be incorporated in any way, in this particular Act having in mind the amendment that the solicitor is about to present to the committee?

Colonel LAWSON: That is a matter that would require some consideration.

Hon. Mr. MACKENZIE: Are these benefits not available for ten years under this Act?

Colonel LAWSON: Yes, the only time limit in this Act is the ten years within which you must apply for the re-establishment credit. We have a suggested amendment this morning which I think will cover that point in another way.

The CHAIRMAN: So what you propose in regard to the suggested amendments to be put into these Acts would not apply to this Act?

Colonel LAWSON: No, sir.

The CHAIRMAN: That is the point.

Mr. BROOKS: I am quite willing to leave it. The attention of the minister has been called to it.

The CHAIRMAN: I do not wish to rule out discussion but we have agreed to consider this Act. The next clause is 13. Have we any amendment to clause 13, Mr. Gunn?

Mr. GUNN: Clause 13?

Mr. GREEN: What about the amendment to 12 (b)?

The CHAIRMAN: I thought we carried that.

Mr. WOODS: It was read into the record on the 18th of October.

The CHAIRMAN: 12 (b) was carried with all amendments.

Mr. GUNN: I read it into the record on the 18th of October. I do not know whether the record shows it was carried.

The CHAIRMAN: The clerk tells me that 12 (b) was all carried. What amendment did you have in mind that was not carried? Was there any particular thing?

Mr. GUNN: The whole part of 12 (b).

The CHAIRMAN: That is all carried.

Mr. GUNN: We put forward and circulated on that date an amendment which substituted a new clause for the one that presently stands in this bill.

Mr. MUTCH: That was accepted and carried.

The CHAIRMAN: That was accepted and carried.

Mr. MUTCH: That amendment was accepted and carried as I remember it.

Mr. MARSHALL: I thought there were two extra clauses added, clauses 5 and 6?

The CHAIRMAN: That was carried. The clerk will give you the date.

The CLERK: It was carried on the 1st of November.

Mr. QUELCH: Where does the recommendation of that subcommittee come in?

Mr. SINCLAIR: We have it all here.

The CHAIRMAN: I thought we would bring that in at the end when we get this bill through if we can get it through. In volume No. 11, page IV:

"On motion of Mr. Mutch it was resolved that clause 12 of the draft bill be amended by deleting section 12(b) of the proposed amendment to the War Service Grants Act, 1944, and by substituting therefor the following."

It is all set out there.

Mr. GREEN: Would you read it now, Mr. Chairman.

The CHAIRMAN: Volume No. 11, page IV, of the minutes of proceedings. It is a long one which everyone can glance over themselves.

Mr. MARSHALL: Does it deal with the setting up of the board?

The CHAIRMAN: Yes.

Mr. CROLL: That is right; we did carry it.

Mr. MUTCH: I moved it myself and it was carried in the committee on that occasion.

The CHAIRMAN: Has everybody got it? It is in volume No. 11, page IV of the minutes of proceedings.

Mr. MARSHALL: What date is that?

Mr. BROOKS: It is on November 1st.

Mr. CRUICKSHANK: Was it carried?

The CHAIRMAN: Yes. In the record it is page 420, if the committee will peruse that.

Mr. BENTLEY: We are to understand that in passing 12(b) we are passing this here?

The CHAIRMAN: Of course.

Mr. MUTCH: It has already been amended, discussed and passed.

The CHAIRMAN: Amended and carried. Let us proceed. The next clause is 13.

Mr. GUNN: There is an amendment introduced this morning, put in my hands a few minutes ago by Colonel Lawson, and emanating from the Department of National Defence. Perhaps Colonel Lawson could explain it.

The CHAIRMAN: I will read it to the committee.

Mr. GUNN: I am not sure whether these are exactly the proper words. There is some doubt about that.

Colonel LAWSON: I had prepared new paragraphs 3 and 4 to be added to section 16 of the Act. During the discussion of the proposed new paragraph 3 with the Minister of National Defence this morning he suggested that it might be added. I have not had an opportunity of drafting a new paragraph 3, but I can explain to the committee what is intended to be contained in the new paragraph 3 and could this afternoon draft what might be a suitable paragraph to insert there.

The CHAIRMAN: Please read what you suggest. We would like to get this bill through this morning.

Colonel LAWSON: It is suggested, sir, that there be added to section 16 a paragraph to read as follows:—

A person who is appointed or re-appointed or enlisted or re-enlisted in the forces subsequent to the 31st day of August, 1945, shall not be paid a gratuity or credit in respect of his service subsequent to such appointment, re-appointment, enlistment or re-enlistment.

The purpose of that is briefly to provide that no person who now joins the forces shall get any benefits of the War Service Grants Act.

The CHAIRMAN: We had that covered in a previous amendment, Mr. Gunn; that he did not get the credit in respect of service after the 31st of March, 1946?

Mr. MUTCH: But this goes back.

Colonel LAWSON: I have an amendment to cover that point also, sir. This is a different point.

The CHAIRMAN: Would you read that again?

Colonel LAWSON: A person who is appointed or re-appointed or enlisted or re-enlisted in the forces subsequent to the 31st day of August, 1945, shall not be paid a gratuity or granted a credit in respect of the service subsequent to such appointment, re-appointment, enlistment or re-enlistment.

The CHAIRMAN: Yes, but you speak of the gratuity in respect of service up to the 31st of March, 1946.

Mr. MUTCH: But, this goes back of that, this is the 31st of August, 1945.

Colonel LAWSON: In one of the amendments which went through anyone now in the forces will be entitled to receive his gratuity and credit up to the 31st of March, 1946; but the man who joins now will not get credit for service up to that date.

Mr. GREEN: But suppose a man overseas volunteers for the interim forces and remains in the army of occupation, is he not to get any benefits?

The CHAIRMAN: I do not see why he should not.

Colonel LAWSON: He does, sir. That is not a re-enlistment; he stays right on in the forces and he gets his gratuity and credit right through. This only covers people who come in now for the first time, the young boy just turned 18, who comes along now and says he wants to join the army.

Mr. CRUICKSHANK: That would apply to some of these fellows who are coming out of the mountains and the bush now.

The CHAIRMAN: Is that not covered by the definition of active service?

Colonel LAWSON: No, it is not, sir; that is not covered now.

Mr. HERRIDGE: I would like to ask this question: why are these words "appointed", "re-appointed", or "enlisted" or "re-enlisted" used?

Colonel LAWSON: The term "appointment" refers to officers while the term "enlistment" applies to other ranks.

Mr. HERRIDGE: Would that apply to the case of those who have already used their benefits?

Colonel LAWSON: That covers also the man who has been in the forces and who has been discharged, and now comes along and enlists again. He is in the same position as the man enlisting for the first time.

Mr. GREEN: Apparently the men overseas are not entitled to enlist in the interim forces.

Colonel LAWSON: They do not enlist, they volunteer to continue to serve.

Mr. GREEN: Are they not being recruited into the interim forces? My understanding was that they were.

Mr. MUTCH: They are being continued, not re-enlisted. You cannot enlist a man who is already in the service.

Mr. GREEN: I think the Minister of National Defence in the discussion of his estimates said they were getting numbers for this interim force. I did not understand that they were only dealing with men who had already been discharged, but that they were also dealing with men who were actually now in the forces.

Mr. MUTCH: Of course it does.

Mr. GREEN: If it does, they should be entitled to get their benefits up to the 31st of March, 1946.

Mr. MUTCH: As I understand it, the man now on service who joins this interim force will continue to be eligible for the benefits with respect to gratuity and credit until the 31st of March next?

Colonel LAWSON: That is right.

Mr. MUTCH: As I understand it, this only deals with the man who is out of the service, but who has never been in the service, and who elects to come into that force. There are two distinct forces.

Mr. SINCLAIR: Colonel Brooks' man.

Mr. MUTCH: Colonel Brooks' man is specifically excluded in this case.

Mr. GREEN: Would you read that again?

Colonel LAWSON: "A person who is appointed or re-appointed or enlisted or re-enlisted in the forces subsequent to the 31st day of August, 1945, shall not be paid a gratuity or credit in respect of his service subsequent to such appointment, re-appointment, enlistment or re-enlistment."

Mr. BROOKS: That means in the interim forces.

The CHAIRMAN: In what way is that not satisfactory?

Colonel LAWSON: That is satisfactory. There is a further paragraph with which I would like to deal.

The CHAIRMAN: May we take first of all subsection 1, section 16, where there is a re-appointment or re-enlistment, payment of gratuity is deferred, is that carried?

Mr. GREEN: There is one thing about that, Mr. Chairman:

The CHAIRMAN: Yes?

Mr. GREEN: Suppose this lad who re-enlists wants to use his re-establishment credit to buy insurance under the terms of the Solders' Insurance plan; as I read that section he cannot get that credit until he is discharged from the interim forces or from the permanent force, which might be a matter of years later. I doubt whether it is intended to go that far.

The CHAIRMAN: The reason for that, Mr. Green, was that they thought while he was in the service if he were paid money he might dissipate it, spend it, and would not have the money when he finally left the forces. That was the reason for that.

Mr. FULTON: Suppose he were to enlist new in the interim force and then went on and enlisted in the permanent force, he might not get discharged until he was 50 or 55.

Mr. GREEN: That is right.

Mr. FULTON: I am just wondering whether it meets that angle of it.

The CHAIRMAN: I understood the attitude was that he should not get any money in the way of gratuity or re-establishment credit once he re-enlists until he is finally discharged from the army.

Gentlemen, if you want the reporters to get what you are saying for the record, I would ask you, please, to rise in your places and address the chair. In that way they will be able to get it in the record.

As I understand it the question raised is, does this section mean that if a man re-enlists in the permanent forces the balance of his gratuity or credit is not to be paid until his subsequent discharge at which time he shall be entitled to be paid or granted such gratuity or credit or the balance thereof in addition to any further gratuity or credit as he may be entitled to under this Act by reason of his subsequent service. Would you explain, Colonel Lawson, what that means if it does not mean that his gratuity is not paid until his subsequent discharge?

Colonel LAWSON: That, sir, brings up the other paragraph that I was going to suggest being added to section 16. We are suggesting that there should be a paragraph added. As I say, I have not drafted it yet, but it will provide that gratuity may be paid and credit made available to members of the interim forces and members of the permanent forces at such time after the 31st of March next as the governor in council may determine.

Mr. Mutch: Is it not a recognized fact that a man who becomes a member of the permanent forces is re-established? He has chosen some branch of the military service as his occupation in life. The interim force is a different matter; it is a period of indecision, if you like. But if it is not clear in the law it should be made abundantly clear that upon becoming a bona fide member of our permanent service the individual shall be deemed to have ceased to serve in the capacity of a wartime soldier and he is professionally established, and all such benefits as may have accrued to him up to that time should then be paid. But if then he finds himself faced with limitations, say in the way of education—and as we all know, there are limitations with respect to marriage and so on in the permanent forces—he should then be able to take advantage of the benefits. I can see the reason for leaving them out during the interim period. But once he has signed the terms of service in the permanent force, so far as he is concerned he is re-established.

Mr. GREEN: He only has until the 31st of March next year in which to make up his mind.

Mr. MUTCH: Yes, and if he elects to be a permanent force soldier, that is a profession, a noble one—

Some Hon. MEMBERS: Hear, hear.

Mr. MUTCH: —he should have whatever he is entitled to.

Mr. FULTON: I take it that the result which flows from this section was not intended by the paragraph read by Colonel Lawson.

The CHAIRMAN: The trouble is that they have not agreed on it.

Mr. CRUICKSHANK: We can't be expected to agree on it if they have not.

The CHAIRMAN: We cannot pass it until it is in shape to be placed before the committee.

Mr. FULTON: I am suggesting that we leave it over until to-morrow and that a draft be prepared by them in the interval.

The CHAIRMAN: I think the suggestion made by Mr. Mutch is very clear. The intention was that if a person went into the interim force payment of his gratuity and re-establishment credit should be withheld in order that he might get it when he finally leaves the forces, but subject to the limitation that if he goes into the permanent force he is thereby re-established and should get what is coming to him on account of his active service. In order to carry that out all we need to do in section 16, subsection 1 is simply to say that this subsection shall not apply to appointment, re-appointment, enlistment or re-enlistment in the permanent forces of Canada.

Mr. BROOKS: There is just another point there. A man who joined the permanent force does not necessarily guarantee that he is going to remain in the permanent force for the rest of his life. Supposing he only remains six months and is then released for some reason or other, or a year; I think provision should be made so that he would get his rehabilitation allowance and so on after that.

Mr. MUTCH: If my point of view carries, Colonel Brooks, you will have it then.

Mr. BROOKS: I am not talking about your point of view, I am talking about the amendment proposed.

Mr. GREEN: Is not the fairest way to deal with this thing to let that man get his gratuity and his credit regardless of whether he re-enlists in the interim force or the permanent force? Are there not two distinct purposes, two distinct awards? He has served actively during the war and he is entitled to certain grants and gratuities and credits for that service. Why not let him have those? Then, if he joins the interim force or the permanent force he comes under an entirely different set of rules. I think it is a mistake to hold back this gratuity as this section says.

The CHAIRMAN: There is a lot in what Mr. Green has said. The interim force is for a period of two years, during which he could make up his mind one way or the other. The thought was that if he went into the interim forces he might then decide to go back into civil life and then he would get the balance of his gratuity or re-establishment credit. On the other hand, if he decided to go into the permanent forces the suggestion I made was that he would then get his re-establishment credit and gratuity, the same as though he went into any other profession. It was only holding it up while he stayed in the interim forces; to make sure if he did decide to go back to civil life he would get it. This is provided in the bill. It seems to me that that is the intention.

Mr. GREEN: Of course, Mr. Chairman, this section was not drawn with the interim forces in mind at all; they had never even been thought of then. They only developed during the last few months. This subsection 1 was taken holus-

bolus from the Act which was passed last year when there was no indication at all that there was any intention to have an interim force.

The CHAIRMAN: But we had a submission from the air force urging that if they did go into the interim forces payment of gratuity and credit should be held up until they left the interim forces.

Mr. CRUICKSHANK: Don't you think that it is only reasonable that if a man comes out of the interim force without any money at all he would have practically no chance of re-establishing himself?

Mr. GREEN: I think the proper way to meet that would be to make provision for giving these men in the interim forces some form of re-establishment for the service they are giving in the interim forces.

Mr. CRUICKSHANK: For the two years; that is a different matter.

The CHAIRMAN: Brigadier de Lalanne would like to address the committee on this.

Brigadier DE LALANNE: I thought I had made it clear a few days ago to the committee that the occupation force in Europe is a part of the present overseas army. There is no enlistment, or re-enlistment or joining of that force. Individuals are in units of what is called the Canadian army of occupation force just the same as they are in any other unit that is still stationed overseas awaiting repatriation; so that there is no difference now really between the officer or other ranks serving in these units, and their counterpart, the third battalion for the most part, and other units of the formal third Canadian unit and those serving anywhere else in Europe. The interim force is something else which has become a name, but in fact does not exist. There is no interim force as yet, except possibly the air force. I know there is absolutely no intention of forming any special unit to comprise the interim forces. The interim forces are merely those individuals who state that they are willing to continue their service for a specific period up until September of 1947. There is no re-enlistment, there is no discharge, there is no change in their status except that they have stated they are willing to continue under certain circumstances even if otherwise they might have been eligible for discharge and could have been granted discharge; so they are not a different force at all.

Mr. BROOKS: Are they not soliciting re-enlistments for this interim force from the public—those who have already served in the army and have been discharged?

Brigadier DE LALANNE: Yes, from the public, from those who have already served in the army and have been discharged. They may enlist in the army. But those who are already in the army and stated while still in the army that they would continue in service are not re-enlisting; they are not re-engaging; it is really a re-statement of their willingness to continue their service.

Mr. GREEN: Are they asking men overseas to re-enlist for a period of two years or to carry on for a period of two years?

Brigadier DE LALANNE: Yes, they re-engage. There are certain individuals overseas who will say they are willing to continue in the service until 1947, notwithstanding any other factors.

Mr. CRUICKSHANK: And that is not re-enlisting?

Brigadier DE LALANNE: That is not re-enlistment. I might say that there have been discharges overseas at the rate of 30 or 40 a week. Any of those actually discharged who wish to re-enlist within two, or three or six months' time, so far as I know there is no reason why they should not be permitted to re-enlist the same as anyone discharged in Canada who wants to come back; that is re-enlisting.

Mr. MUTCH: Anyone who has been discharged from the forces may make application?

Brigadier DE LALANNE: About 50 per cent, I understand, of those who have made application in Canada would be acceptable. There is a committee sitting in Ottawa now accepting officers; and very shortly now it will go on further to the cases of warrant officers and other ranks.

Mr. MUTCH: Take the case of a man who may be of the highest category, and has engaged to stay until 1947. Say he hears from home or something and for certain reasons wishes to change his mind; is that settled?

Brigadier DE LALANNE: That is not a question with which I would like to deal at the moment; it will come up in due course; but my recollection of the minister's statement to the House is that once the terms of service of the permanent force are announced, anyone not satisfied with the terms of service may withdraw, I think he said any time up to—

Mr. MUTCH: The 31st of March.

Brigadier DE LALANNE: I think the statement was that the terms of service of the permanent force would be announced by March, 1946, and then anyone who did not wish to continue could be released from his agreement between then and September of 1946. That is my recollection.

The CHAIRMAN: There are two questions, Brigadier de Lalanne, that I would like to ask you. The first question: does what you have just stated about their not enlisting apply to the air force and to the navy, or are there distinctions?

Brigadier DE LALANNE: I think there is some difference with respect to the navy. I think the navy has some permanent forces.

The CHAIRMAN: Very well, we will hear from the navy and find out if what you stated applies to the air force as well as to the navy. The way in which this is proposed would make it apply only to the so-called permanent forces, wouldn't it.

Brigadier DE LALANNE: We will consider that. When any person joins the permanent forces, whether he be one who was a so-called member of the interim forces, or whether he comes from the public, or elsewhere, or is just serving in the army, he ceases to be a member of the active force. Service in the permanent forces so far as we are concerned is entirely different from service in the active forces.

The CHAIRMAN: What would be the position of a man who served in France and who comes back here and is discharged, and after his discharge he decides to serve in this interim force?

Brigadier DE LALANNE: The present regulation brings that man in as new, without any rehabilitation benefits whatsoever, except as to what he may have earned in his previous service.

The CHAIRMAN: The idea of section 13 then would be to say that that man who re-enlisted would have his gratuity deferred until he ceased to serve. Now then, would it not be necessary to make sure that if he decided to serve in the permanent forces—if at any time he decided to join the permanent forces—he could get his gratuity and re-establishment credit?

Brigadier DE LALANNE: The amendment which Colonel Lawson was preparing for us—which I understand has been agreed to by the navy and army, but probably not by the air force, because they may not have seen it—is that provision should be made for the payment to any of the present members of the permanent force who are serving in the active forces and who have been continued on as well as to any persons applying and accepted for the so-called interim force to receive their gratuities and entitlement to their credits any time that may be determined after the 31st of March, 1946, and that they would not need to wait until their final discharge from the active force.

Mr. GREEN: This is a restriction on the soldier. It is holding back something to which, ordinarily, he would be entitled. What would be the effect if that section were taken out completely?

The CHAIRMAN: Their suggestion is that a man can sign on for two years in the interim force and might spend his re-establishment credit and his gratuity and then be discharged at the end of two years with nothing except what he had saved by himself.

Mr. GREEN: Is he not going to get any form of rehabilitation or pension for his two years service in the interim army?

Mr. CRUICKSHANK: That is a different matter entirely.

Brigadier DE LALANNE: So far as those who did not break their service are concerned, the proposal is that they would receive their gratuities and benefits at any time after the 31st of March, 1946.

Mr. Mutch: Who did not break their service?

Brigadier DE LALANNE: And I do not see why that should not apply also to the one covered here, the man who comes back into the forces, after once being discharged.

The CHAIRMAN: You do not agree to the submission of the air force that it should be held up until his discharge from the so-called interim force? They submit that it should be held up until the man's ultimate discharge from the interim force.

Brigadier DE LALANNE: I understand that our minister and military members have approved the clause: "any time after the 31st of March, the benefits may be paid." But others who are just continuing on by compulsion, or until their turn comes up, will receive their benefits when they finally go out of the army; but for those who are continuing on in service should be able to receive their benefits any time after the 31st of March. That is the gist of the proposal.

The CHAIRMAN: I understood that Air Commodore Murray's proposition was somewhat different from that. Does Air Commodore Murray agree with this present submission?

Air Commodore MURRAY: The position of the air force is that they have certain categories of personnel who will be interim forces only.

The CHAIRMAN: Will you come closer, Air Commodore Murray, so we can get your remarks into the records.

Air Commodore MURRAY: Under the Act as first drafted, sir, the gratuities were payable when the force ceased to serve on active service. That would mean that anybody who was in the permanent forces at that time would be entitled to his gratuity as soon as the promulgation of the force being on active service went out, the promulgation that he was to serve on active service. But for people who were continuing in the forces, they would get their gratuity at that time if they had undertaken to continue their service through the interim period. These people would, as the Act provided, be entitled to their gratuities when the promulgation of the force being on active service was made. We knew that there were going to be a number of people who would stay in the forces only for a limited period because, when they heard what the terms of the permanent force rates and conditions were to be, they would want to get out. We wanted to preserve the position so that they wouldn't get that money until they did go out, else the whole purpose of the grant would be defeated. There were also other categories that we had of personnel made up mostly of older men who would retire when they left the service. Some of them would be men of means who would be quite willing to serve throughout the interim period, for the interim period only, and we thought that it would be a far better provision if they were to be given their gratuities when they left the interim force after the two years service. They would not be people to whom the problem of re-establishment would be considerable. That was why we wanted that provision.

The CHAIRMAN: Does the proposal of Brigadier de Lalanne meet your suggestion?

Air Commodore MURRAY: Well, I would like very much if Brigadier de Lalanne would repeat it.

Brigadier DE LALANNE: We do not propose in the army to continue in service, under the so-called interim forces, any individuals who are not of the permanent forces. We do not propose to say to anyone: you can stay until 1947 in order to assist us with demobilization. That type of personnel we are going to continue under their present contract, or whatever they are qualified to do under present regulations. So, our interim personnel will be permanent personnel. There is that difference between us and the air force. The proposal I have here is that the gratuity might be paid and the rehabilitation credit made available to members who apply for continuing service and who are accepted, and to those members of the permanent force, at any time after the 31st of March, 1946. In the case of other personnel, the gratuity would be payable and re-establishment credit made available as at the present time, upon their retirement or their discharge. So, those who continue on now until they are no longer needed in the service will receive their gratuities when they are finally retired and discharged. But others who state that they are willing to stay on until 1947 and who are accepted for that service as regular soldiers, and those who are now permanent force soldiers who are taken back into the permanent force, may receive their benefits at any time after the 31st of March, 1946.

The CHAIRMAN: And what about the man who served in active service and is discharged and who re-enlists? He could only re-enlist in the permanent force?

Brigadier DE LALANNE: No. He could re-enlist into this interim group, with a view to becoming permanent force.

The CHAIRMAN: What would you propose in regard to him?

Brigadier DE LALANNE: He would come under the same regulations, because all that would happen under this present paragraph 16, would be that anything he had commenced to receive but which was not fully paid would be deferred until some time after the 31st of March. That would be the way it would work. He could come back into line with the others who are still in.

The CHAIRMAN: And there is a place in the army where a man can re-enlist, the same as in the air force, for an interim period?

Brigadier DE LALANNE: That point is now being considered. I am not sure that instructions have gone out; but the districts have now been authorized to take back into the army anybody who has been discharged, once he has been found acceptable for this interim force.

The CHAIRMAN: If he went into the interim force, would it be the army's desire that he should get his gratuity upon leaving the interim force, or should he continue to get it?

Brigadier DE LALANNE: It would be just the same, until after the 31st of March.

The CHAIRMAN: So you differ from the air force. The air force says that a man should not get it until he got out of the interim force. You say that he should get it from the 31st of March?

Brigadier DE LALANNE: This point has not been discussed.

The CHAIRMAN: How does the navy vote on the question? Is the navy represented here?

Commander SHARPE: Yes, I represent the navy.

The CHAIRMAN: Come forward Commander Sharpe and let us have your name and rank.

Commander SHARPE: I am Commander S. C. Sharpe. So far as the navy is concerned, I think its attitude is very much similar to that of the army.

In other words, we propose or rather we suggest that the gratuity be paid shortly after the 31st of March; or, if anyone has been serving continuously overseas, he will get it when he returns.

The CHAIRMAN: But what if he re-enlists and is sent overseas? Do you say it should be paid to him on the 31st of March, or when he gets right out?

Commander SHARPE: In so far as the interim force is concerned, we rank that merely as a continuation of his service. Anyone who re-enlists, who had previously been discharged, we feel should not get it, in respect to his service from the time he re-enlisted.

The CHAIRMAN: Do you permit anyone to re-enlist for an interim period in the navy? Suppose a man is discharged from the navy and then re-enlists? Do you permit that?

Commander SHARPE: Oh yes!

The CHAIRMAN: Suppose he re-enlists before he has got all his gratuity and re-establishment credits for an interim period, would you say that he should get it on the 31st of March, even though serving overseas?

Commander SHARPE: Are you speaking of the re-enlisted people?

The CHAIRMAN: Yes, that is what we are trying to deal with.

Commander SHARPE: I think our attitude is that they should not be entitled to any gratuity.

The CHAIRMAN: Until they get discharged?

Commander SHARPE: That is right.

The CHAIRMAN: Then you differ from the army, I see.

Mr. MUTCH: We should be able to make up their minds for them.

The CHAIRMAN: The committee has heard the evidence. Is there anyone else whom the committee would like to hear? Is it your desire to decide the question, or do you think that the service authorities should try to get together on it?

Mr. CROLL: I think they should bring in a joint recommendation.

Mr. JUTRAS: If we accepted the suggestion as first made by the air force, I wonder if the army or navy would suffer in any way? Would they indicate what effect it would have?

The CHAIRMAN: That is the only point at issue. It seems clear to me, although I don't know whether the committee sees it as I do. The only man really involved, if there is any doubt about it, is the man who is discharged and who then desires to go back and serve in the interim force. The question whether he should receive his gratuity depends upon whether he enlisted in the interim force before or after the 31st of March, 1946, or whether payment of his gratuity and re-establishment credit should be interrupted until he is discharged from the interim force and has to be re-established.

Mr. MUTCH: Do you think it is likely that many will re-enlist until they have spent whatever is coming to them?

Brigadier DE LALANNE: I think the situation is somewhat like this: that if a member of the army has been discharged or has accepted his discharge and now wants to go back in again—either because he finds that he likes the army or has found it difficult to get work—this man has probably been using up to the hilt anything he may have received in the way of gratuities or benefits. Now, to pay them to him when he comes back into the army and is going to be back on the army payroll I think would be inadvisable. So we think that anything that is left should be held for him until he has had an opportunity to decide whether or not he really wants to stay in the army.

The CHAIRMAN: You agree with the navy and the air force then on that point? In understood you to say that he should get it after the 31st of March, 1946?

Brigadier DE LALANNE: That is quite right, if he comes in. Now then, on the 31st of March he is still in the interim force and he should not be penalized by reason of the fact he had a break in his service. We say: he is coming back for a second chance in the army to decide whether he wants to be a permanent soldier or not, and we say, if there is anything coming to him then it should be deferred to the 31st of March.

The CHAIRMAN: Suppose he is in the air force. Do you want him to be paid a gratuity then, or do you want it to be deferred until he gets out?

Brigadier DE LALANNE: We want him to get it the same as if he had been in the army.

The CHAIRMAN: Then, would not your argument be that he might dissipate and spend it apply there?

Brigadier DE LALANNE: Quite possibly so; but the others would do it just the same. A person who had not broken his service would be in the same position. This man coming in does not accrue any more benefits once he comes in the second time. All he has left is what he has not yet received in the way of benefits that were accrued to him at the date of his first discharge, because upon re-enlistment he gets no further payments. So we are simply deferring final payments coming to him.

Mr. QUELCH: What about the case of a man who has been discharged for two or three months and who has started to buy certain property and who is dependent on the reception of such payments in order to pay for that property? Would he not be put in the position where he might lose that property if you stopped those payments?

The CHAIRMAN: I think it is a matter that the committee should decide; I mean, the principle of the thing. If the committee decides the principle of the thing, then we can get amendments drawn up.

Mr. MUTCH: But do we know what the sense of the committee is?

The CHAIRMAN: We should take the opinion of the committee. I take it that the committee is of the opinion that when a man goes into the permanent forces he should get his gratuity and re-establishment the same as if he had gone into any other profession. That is the first point.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: The next point is if he carries on in the army, serving in this interim force, is it the wish of the committee that he should start getting his gratuity and re-establishment starting with the 31st of March, 1946 or that the payment of that should be deferred until he is finally discharged from the active service forces or the interim force?

Mr. BENTLEY: Why could he not have the choice of either one? Why could it not be payable on the 31st of March or at his choice? There may be some like those Mr. Quelch mentioned, who would require it to keep on making payments on property they have already acquired. Then some people do save money.

The CHAIRMAN: We are trying to protect the people who have difficulty in saving money and looking to the future. Those are the very people who might say, "We want the money."

Mr. BENTLEY: If we are to protect all those, Mr. Chairman, we have really got a job on our hands.

The CHAIRMAN: It is a matter for us to decide.

Mr. MUTCH: I suggest to the committee, in order to get a discussion, that the sense of the committee is that the benefits should not be paid until discharge.

Mr. QUELCH: Could you not allow discretionary power there and say that where a soldier can show good reason why the money is needed, it will be paid; and if he cannot show good reason it will be held back. Could you not do that?

The CHAIRMAN: I think that is a good idea, to say that unless good reason can be shown to the satisfaction of the minister, payment shall be deferred until discharge. Is the committee satisfied with that?

Mr. MUTCH: If the minister will check them, yes.

Some Hon. MEMBERS: Yes.

The CHAIRMAN: There are other discretionary rights here in the Act. Is it the wish of the committee to have that done?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: That would apply to those who re-enlist in the interim force?

Some Hon. MEMBERS: Yes.

Mr. GREEN: It is only if they enlist in the permanent forces it is automatic.

The CHAIRMAN: Yes. Have we got that clear? If a man goes into the permanent force his gratuity and re-establishment credit will carry on as if he had gone into any other profession. If he re-enlists in the interim force or carries on in the army, the gratuity and re-establishment credit shall be paid on his leaving the interim force or active service forces.

Mr. SINCLAIR: With that discretionary power.

The CHAIRMAN: With the discretionary power. Is that the will of the committee?

Some Hon. MEMBERS: Carried.

Mr. FULTON: On that point, when the man re-enlists directly into the permanent forces I would suggest that there is a case where you might well leave it to the election of the soldier or the officer. There might be some who would say, "I do not need this credit now. I should like to have it held over and added so that when I do finally leave or retire from the permanent force or if for any reason before my retirement age I am forced to get out, then this credit will be there for me to take."

The CHAIRMAN: You realize that he has that right up to 10 years with regard to the gratuity, to draw it when he wants to.

Mr. FULTON: Not under this.

The CHAIRMAN: Yes.

Mr. FULTON: Because it is paid to him automatically.

The CHAIRMAN: No. It is the same as anybody going into a profession. It will be paid on application within 10 years, the same as if he went into law or medicine or anything else. He would have 10 years.

Mr. FULTON: That is the credit, not gratuity.

The CHAIRMAN: Yes. Is it your suggestion that he should be permitted to have the government hold his gratuity for 10 years if he wishes it?

Mr. FULTON: Yes. Until such time as he elects.

Brigadier DE LALANNE: If the Department of Veterans Affairs is agreeable, I do not know that clause 16 is very important. I am not sure that, insofar as the army is concerned this paragraph 16 is particularly important now. It has been the practice right along from the time the Act came into effect originally; and we are getting so close to the 31st of March now that I do not think the army would quibble particularly if you wanted to put in something such as Mr. Quelch suggests. We are getting so close to the 31st of March that there would be very little difference in the effect.

Some Hon. MEMBERS: Carried.

Mr. QUELCH: The point raised by Mr. Fulton could be very well taken care of, I think, by the soldier who was receiving his gratuity putting it into Victory Bonds for 10 years.

Mr. MUTCH: Yes. He would get interest on it.

The CHAIRMAN: Is that the will of the committee as outlined?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: We will draw up an amendment to this section and embody it.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: That is carried. Next there is this clause embodying the idea that a person who is appointed or re-appointed or enlisted or re-enlisted subsequent to the 31st of August, 1945, shall not be paid a gratuity or granted a credit in respect of service subsequent to such appointment, re-appointment, enlistment or re-enlistment. In other words, if they are once out of the army and re-enter the army, they do not get the gratuity or re-establishment credit in respect of service after 31st of August this year.

Some Hon. MEMBERS: Carried.

Mr. GREEN: Is that not part of the same section? Should it not stand over until tomorrow?

The CHAIRMAN: We want to know if the committee approve of it and if they want to embody it.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Is that approved of?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: So we will embody that in the proposed section. Is there anything else on that point?

We now have a proposed suggestion to carry out the suggestion to cut off the gratuity being earned and the re-establishment credit being earned as of the 31st of March, 1946. I will read this to the committee. This would be (s) of section 1, page 3. We have already carried it but this is to embody this other idea:—

“Service” means time served on full time service in the forces to the thirty-first day of March, one thousand nine hundred and forty-six:
(i) while enlisted or obligated to serve without territorial limitation,

We have already adopted that principle. Or

- (ii) in the Aleutian Islands, the United Kingdom or the European or the Mediterranean operational theatres, or
- (iii) while proceeding from Canada to any of the places mentioned in Clause (ii) of this paragraph or returning from any of the said places to Canada;

provided that in respect of a member who was on overseas service on the thirty-first day of August, one thousand nine hundred and forty-five “service” shall include all time served while carried on the strength of a unit serving overseas.

In other words, that provides that if a man is on overseas service on the 31st of August this year, he gets his gratuity and re-establishment credit in respect of all the time he spends on the strength of a unit serving overseas. That is, in other words, to protect him if he is kept beyond 31st of March?

Colonel LAWSON: That is right.

The CHAIRMAN: Is that satisfactory to the committee?

Mr. GREEN: Mr. Chairman, I think that brings up a very broad principle. Some of these lads who are now in the army of occupation are the younger lads, some of whom have seen 5 or 6 months' action, and they are having to stay in Europe against their own wishes. They may be there for another year or perhaps longer. Personally I think that those boys are entitled to have the time run until they come home.

The CHAIRMAN: This provides that they will be getting that.

Mr. GREEN: And not be cut off?

The CHAIRMAN: This provides for that, Mr. Green. I will just read that proviso again.

Mr. GREEN: What about the young man who does not happen to have been sent overseas until September or October?

The CHAIRMAN: Why was that cut-off date? As Mr. Green says, a man might be sent over after the 31st of August. Would you answer that, please?

Brigadier DE LALANNE: That was put in by cabinet when the question of the interim force was raised on the 29th and 30th of August. That was determined at that time.

The CHAIRMAN: And if he was sent over after that time, he was serving in peace-time service.

Brigadier DE LALANNE: If sent over after that time, he only receives benefits for his service until the 31st of March, 1946.

Mr. MUTCH: That is fair enough.

Brigadier DE LALANNE: On the particular date the cabinet passed the order in council or whatever the regulation was, if he was overseas at that time and continued to stay overseas, he kept right on.

The CHAIRMAN: Is that clear to the committee?

Mr. GREEN: There will have to be reinforcements sent over from time to time. It may be they should not be entitled to any credit for combat service, that is at the higher rates; but I think that, as long as that army of occupation is kept there, the men who are serving in it should be entitled to get—what is it—\$7.50 a month?

Mr. MUTCH: That is entirely new.

Mr. GREEN: \$15 a month, plus additional.

Mr. COCKERAM: What Mr. Green means to say is that it is peace-time service now, and that men who may be sent overseas after August 31st should not get the combat rate.

Mr. GREEN: I would not put it that way. I would say they should at least get \$7.50 a day. I would prefer to see them get the other rate, but they should at least get the \$7.50.

Mr. MUTCH: If you are going to accept the principle that the \$7.50 is really deferred pay you might have an argument but if you accept the principle that the \$7.50 a month or \$15 a month overseas is sort of a bonus to express the gratitude of the people that is a bit thick. It is a complete change of principle.

Mr. GREEN: It is not a change of principle at all. The men I have in mind volunteered and were prepared to go and fight anywhere. Because of their age and because of the time they got into the forces, or perhaps for other reasons, they did not get overseas before the fighting stopped, but now they are being sent over and may have to stay there for two years. They should not be cut off and treated by Canada as though they were not entitled to any consideration. As long as they are serving there in the army of occupation they are entitled to gratuities and re-establishment credits for the full time they are there.

Mr. Mutch: Until the 31st of March.

Mr. Brooks: May I ask a question on that point? Are the rates of pay of the soldiers being increased in the interim force to make up for this shortage of pay? I think the principle of the \$15 and \$7.50 was that it was a gratuity appreciation for their services during the war.

The CHAIRMAN: I fancy there must have been some reason for this which we have not heard so far. I can easily see that a man who was sent over in August may serve for two years and will be getting the re-establishment credit and gratuity during the entire service of two years, and the man sent over in September would not get anything after the 31st of March, 1946. With the two men serving beside each other, one going one month and another a month later, there is going to be a feeling of great discrimination. Probably they will both be volunteers. Surely there must have been some reason for that other than what we have heard so far.

Brigadier DE LALANNE: Actually there has been practically nobody sent overseas since May, since V-E day. The largest number we have sent since early April were on the water on the 8th of May. I am told we are very fortunate that the decision was to extend the privileges under this Act until March, and that the intention was that the accumulations should cease either in September when the war ended or at the end of December, 1945. It was extended to the 31st of March as that was the date we had been planning to endeavour to clear Europe and the United Kingdom of all other than whatever occupational force was necessary and the small numbers required to clear up ordnance, engineering matters, and the like.

The CHAIRMAN: Then, as I understand it there will be hardly any in the category who would be sent over in August or July of this year who might get this gratuity or re-establishment credit for two years?

Brigadier DE LALANNE: That were not there on V-E day or on the water.

The CHAIRMAN: That is the reason behind it.

Brigadier DE LALANNE: The largest number we have sent were some young medical officers to relieve specialists to come back to help with the medical boarding, that large group of the Women's Army Corps who went over for special duties in the interim period, and certain other definite replacements of short service personnel for long service personnel, but the numbers are very small. We put ten or twenty on a boat now instead of thousands. I imagine that the Treasury Board's idea was that the occupation forces after next spring would be something rather different from the active service forces. That is probably what it is. I think probably that is the feeling. Once we get the army home those who are left behind for occupational duties are more or less on a permanent basis. That may be the idea. I would not like to speak for that because I was not at that cabinet meeting.

The CHAIRMAN: And the only people who might get the benefit of this extension were people who were there on V-E day and had been kept for exceptional reasons.

Brigadier DE LALANNE: Yes.

Mr. Green: I still think that principle is unsound. We have had pension legislation before where a deadline was put in. It is usually put in at the suggestion of the Treasury Board. Here you have got the same thing starting on these gratuities. This army of occupation is a thing Canada has never had before. We are asking young men to go over there.

Mr. Cruickshank: We had that in the last war.

Mr. Green: No, you did not.

Mr. Cruickshank: We did, too. I was on it.

Mr. GREEN: We never had anything like this. It is too soon to start putting on deadlines. The defence departments do not know yet what their definite policy is. I suggest that no deadline should be put on until after the new year when they have decided on their policy. In the meantime young men who are continuing to go over now to reinforce that army of occupation are entitled to protection in a way of gratuities and credits and should not be shut off. It is all right to say there may be only twenty of them, but that does not make it just. Certainly I am very strongly opposed to the cutting off of men in that arbitrary fashion. That force is going to have to be reinforced. There will have to be new men going over all the time. It is not a force that can be static, that will stay there until Canada withdraws from the army of occupation or until the need of an occupation force is over. There will be men going all the time.

Mr. SINCLAIR: Interim force men and permanent force men.

Mr. GREEN: If it is to be handled by permanent force men that is a different matter, but there is no suggestion to-day that the army of occupation will be composed entirely of permanent force men or interim force men. From what the minister said in the discussion in the House it is most unlikely that either will be used for that purpose. He certainly stayed clear of any suggestion that they would become the army of occupation. I suggest that the members should not be in too big a hurry in this matter.

Mr. QUELCH: I think there is a lot of merit in Mr. Green's suggestion, but I would only embrace those men who had enlisted prior to the end of the war.

The CHAIRMAN: You mean prior to V-J day?

Mr. QUELCH: Yes.

Mr. BAKER: It seems to me we are dealing with a matter concerning pay and allowances which should be dealt with by the Department of National Defence. In the British army men serve abroad. I believe in certain countries there are differences of pay over and above what they would receive on home service. Therefore, I should say that would be a matter that might very well be taken up by the Department of National Defence. If it is deemed advisable to increase the rates of pay of those serving in European countries or in foreign countries that should be decided by them and not by us in this veterans committee.

Mr. BROOKS: I think that is where the whole difficulty arises.

Mr. WRIGHT: It seems to me as long as our occupational army continues to be an active force army we should give them every advantage with respect to gratuities and re-establishment grants. If at any time it becomes the policy of the government to make it an interim army or permanent army occupational force then that would be a different matter, but as long as we continue with an active force army I think they should have every right that they would otherwise have.

Mr. BROOKS: I was going to say that I think the whole difficulty arises over the question of pay, and that if these men are to be continued in the army they should be given sufficient pay and not have to depend on gratuities at all. I do not know whether or not the pay is being revised but it seems to me it is time now that it should be. That is one reason why young men are not coming forward to enlist, the fact that they do not know what pay they are going to get. Until they do know that we are going to have difficulty.

Mr. HERRIDGE: I do not agree with Mr. Green's suggestion. I agree with what Mr. Quelch had to say in the matter. I think it is a matter that has to be adjusted by increases of pay if they are necessary but, in my opinion, if we adopt Mr. Green's suggestion we will minimize what the government is attempting to do for men who have seen combat service, and we are going to create additional difficulties.

The CHAIRMAN: Is there anyone else who wishes to speak on the question?

Mr. GREEN: I wonder if we could let this stand over with the other section so that we can see exactly how it works?

The CHAIRMAN: The thought that comes into my mind is that on the one hand you have a man who enlists before V-J day and the army finds in necessary to send him overseas in September, October or November. He finds himself serving alongside somebody who likewise enlisted before V-J day and was sent over in July. They may both have to stay for two years, and one is going to get the gratuity and the re-establishment credit and the other is not. I can see you are going to have a feeling of injustice and discrimination there. I think myself before we pass it we should take a little more time to consider it. We cannot get the bill through anyway this morning. (Section stands). We have now section 14, and the proposed amendment to section 14 has been distributed. The purpose of the amendment is that persons who want to serve in the active service in any of the naval, military or air forces of His Majesty other than those raised in Canada and at the time they joined such forces were domiciled in Canada should get the benefits of this Act. There was a clause in a proposed bill which said, "who joined such forces after the tenth of September, 1939". That excluded the boys who went over and joined the R.A.F. before that date. That has been taken out of the proposed amendment so that now they would get the gratuity and re-establishment credit for the time they served after the tenth of September, 1939, even if they joined before that date. Is there any other feature of this proposed amendment which has been distributed which I have not covered, Mr. Gunn?

Mr. GREEN: Where is that?

Mr. GUNN: That was distributed about two weeks ago.

The CHAIRMAN: Quite some time ago, yes. Mr. Gunn, would you explain the difference between the proposal that was distributed in mimeographed form and the section as proposed in the draft bill for the benefit of those who have not got the mimeographed amendment?

Mr. GUNN: I regret to say, Mr. Chairman, that the mimeographed amendment has received further consideration and I am now proposing an amendment to that amendment, if I may call it that.

The CHAIRMAN: What is the effect of it?

Mr. GUNN: The effect of the amendment to the amendment is merely to put in perhaps simpler and more abbreviated form those paragraphs and those sections of the proposed amendment numbered 3 to 7 consecutively.

Mr. BENTLEY: Was that put on the record?

The CHAIRMAN: Yes, the amendment as originally brought down was put in the record, not the material to which Mr. Gunn is now referring.

Mr. GUNN: Perhaps the best way would be to allow me to read this particular amendment into the record.

Mr. MUTCH: This is a lengthy amendment and as it is about time to adjourn why not have it distributed so that we will be able to go over it and deal with it at our next sitting?

The CHAIRMAN: I had that in mind, Mr. Mutch that if Mr. Gunn would explain the effect of his amendment to the amendment in respect of the proposed section 17 of the draft bill then we will have it mimeographed and distributed to-morrow morning. If he would explain the effect of it then if there is any vital change it could be considered.

Mr. GUNN: The first part of the amendment, Mr. Chairman, has been explained, may I say, very well by yourself. The remaining part deals with

the gratuity which it is proposed to make payable to dependents of the deceased member or in the event of there being no dependents then to his service estate. It arises out of the fact that many members of His Majesty's forces, other than Canadian, left dependents outside of Canada, and it is felt that if these men who have died had come back to Canada they would have been entitled as members of His Majesty's forces, other than Canadian, to receive certain benefits. There is no provision at all in the Act to take care of gratuities being payable to the cases which I have mentioned, and the purpose of this amendment is to put the deceased member of the forces in the same category as a deceased member of the Canadian forces with respect to those benefits which devolve to their dependents under section 4 of the bill.

Mr. MUTCH: If a wife is in Detroit, she could get the money?

Mr. GUNN: That is right.

The CHAIRMAN: Does that apply to the re-establishment credit?

Mr. GUNN: Merely to the gratuity; it puts them in exactly the same position; and, as I said before, if there are no dependents discoverable, under the provision of section 4 of the bill, which by the way is section 4 of the Act, then the money goes to the service estate of that deceased member of the forces; and, as you know, section 4 provides that if the person who qualifies to receive money, the gratuity, as a dependent, dies before he or she receives it, then it does not go to the estate of that deceased person but goes back to the service estate of the member.

The CHAIRMAN: Now, you will have that ready for distribution to-morrow morning?

Mr. GUNN: Yes, Mr. Chairman, I will be glad to.

The CHAIRMAN: And the next is section 17A. There is no amendment proposed to that?

Mr. GUNN: No.

The CHAIRMAN: That provides as follows:—

Any question arising under section fifteen, or section seventeen of this Act as to whether any pecuniary benefit granted by any government other than that of Canada is of the same nature as a gratuity or credit authorized to be paid or granted to members of the forces under this Act shall be referred to the Minister or to such authority as the Minister may designate and the decision of the Minister or that authority, as the case may be, shall be final.

Mr. QUELCH: What is the effect of that?

The CHAIRMAN: The effect of it is that any member serving with a force other than a Canadian force where a similar payment of gratuity or re-establishment credit is provided which is not as great as that provided under our legislation, that we will bring the payments in that respect up to the same level as though the individual concerned had served in the Canadian forces. Isn't that the idea?

Mr. GUNN: Yes, that is it.

The CHAIRMAN: In other words, when he enlisted in the R.A.F. and does not get more than the Canadian grant, he is brought up to the same level. Is that carried?

Section 17 (a) agreed to.

The CHAIRMAN: Now, section 15.

Mr. GUNN: With respect to this clause 15, there was a suggestion made the first time that your committee considered this section that there was an

ambiguity in it especially with regard to the assignment of gratuity or credit. We have tried to revamp the section in such a manner as to clarify it. There is this additional feature, however, that is emphasized, and I want to draw this particularly to your attention Mr. Chairman. It is contained in the proviso. I read the proviso:—

Provided, however, that any member may, for the execution of any of the purposes mentioned in section 8 of this Act, with the consent of the minister, make such assignment as may be necessary.

That is, assignments in general are prohibited, but in order to carry out the provisions of the Act, that is, the purposes for which the credit may be used, it is suggested that it might be advisable to allow an assignment, for example, an assignment from the member to a furniture company of part of his gratuity.

Mr. CROLL: I do not think you need to draft that amendment. I think you are just wasting your time. I do not think it would get by this committee at all.

Mr. GUNN: I merely offer it as a suggestion or a possible remedy to the objection raised here the first time this matter was considered.

Mr. CROLL: The trouble with it is that a new department of government would have to be established to deal with applications for assignment of these various credits. It would be an endless process, and we might as well decide here and now, as we did a few years ago, that we cannot deal with it. Otherwise the minister's life won't be worth anything at all—or the department's life—and whoever has to decide might make good or bad judgments. In any event, everybody will complain. I think we should leave that out entirely.

The CHAIRMAN: Then, the section would read:—

20. (1) No gratuity payable or credit available to a member of the forces or his dependents shall be subject to attachment, levy, seizure or assignment under any legal process or to taxation.

(2) No such gratuity or credit or any part of either may be assigned, charged, anticipated, commuted, given as security or otherwise dealt with and any purported assignment, charge, anticipation, commutation, or other transactions relating to the gratuity or credit made, entered into, or completed contrary to the provisions of this section, shall be wholly void and of no effect.

That is carried. There is just one more item that we can deal with this morning, and that is the section adding penalty.

Mr. CROLL: There is a further thought, that the important subcommittee we set up has a report which it is waiting to deliver.

The CHAIRMAN: I thought we might perhaps deal with this clause.

Mr. GREEN: You have three more sections to consider and it is now after 12.30. I think they should stand over.

The CHAIRMAN: There are no more except the ones which provide penalties.

Mr. GREEN: You are adding sections 22, 23 and 24.

The CHAIRMAN: Just the penalties.

Mr. GREEN: They should be considered pretty carefully.

The CHAIRMAN: Then, we have to consider these sections that have been permitted to stand, and these proposed new sections, 22, 23 and 24, tomorrow, and perhaps we may receive the report of the subcommittee. Could we have the report of the subcommittee now to go into the record today?

Mr. Mutch: Before you adjourn I would like the committee to entertain a motion that it sit while the House is sitting. If you are prepared to entertain such a motion I would like to move that as of Monday next week this committee take the power to sit while the House is sitting and sit in the afternoons.

We are not proceeding rapidly enough to perform the services that we are all anxious to perform. We have the power to sit while the House is sitting and I would suggest we begin next week to do so.

The CHAIRMAN: The motion is that we sit next week in the afternoons while the House is sitting.

Mr. MUTCH: The committee has power to do so.

The CHAIRMAN: Now, as to the dates, just to get your motion in shape. How often would you suggest that we sit in the afternoons?

Mr. MUTCH: At the call of the chair, if that is satisfactory to you.

Mr. GREEN: I suggest that that motion be considered pretty carefully by the steering committee, and that they work out some arrangement.

The CHAIRMAN: Could we have a meeting of the steering committee right after this meeting? Are you willing to withdraw your motion, Mr. Mutch, to see what the steering committee decides?

Mr. MUTCH: Yes, I will withdraw my motion if the steering committee will make a decision and report on it. I am seized with the necessity of doing something like that. I remember previous occasions when we were engaged on this work morning, afternoon and night, and I do not want to see that kind of procedure happen again.

The CHAIRMAN: Mr. Sinclair, you are chairman of the subcommittee set up by this committee. Are you prepared to make your report now?

Mr. SINCLAIR: I understood that our report was to be held over until the Act was passed, and that there was no urgency about it.

The CHAIRMAN: Very well, tomorrow there will be a special committee of the cabinet which I must attend, so could we make our hour of meeting eleven o'clock? Then, tomorrow the committee will meet here at eleven o'clock.

The committee adjourned at 12.40 p.m., to meet again tomorrow, Friday, November 9, at 11 a.m.

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Canada. Veterans Affairs. Special
Committee on, 1945

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SESSION 1945

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

Friday, November 9, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Colonel L. M. Firth;
Lieut. Colonel W. J. Lawson.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945

PROPERTY OF

REPORTS TO THE HOUSE

FRIDAY, 9th November, 1945.

The Special Committee on Veterans Affairs begs leave to present the following as its

SECOND REPORT

Your Committee has studied and carefully considered the legislation, orders in council and regulations relating to the granting and payment of war service gratuity and gratuity credit to former members of the armed services.

Your Committee has embodied its conclusions in a proposed bill to amend The War Service Grants Act, 1944, a draft of which is annexed hereto, and recommends that the government give consideration to the introduction of such a bill.

DRAFT OF A PROPOSED BILL

TO AMEND

THE WAR SERVICE GRANTS ACT, 1944

An Act to amend The War Service Grants Act, 1944.

His Majesty by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section two of The War Service Grants Act, 1944, chapter fifty-one of the Statutes of 1944, is repealed and the following substituted therefor:—

“2. In this Act, unless the context otherwise requires,

(a) “Board” means the Board of Review established by this Act;

(b) “business” includes trade, industry or profession;

(c) “credit” and “re-establishment credit” means the credit provided for under Part II of this Act;

(d) “dependents’ allowance” means the marriage allowance and dependents’ allowances prescribed by regulations made by the Governor in Council pursuant to the Naval Service Act, The Naval Service Act, 1944, the Militia Act or The Royal Canadian Air Force Act, as the case may be;

(e) “discharge” means ceasing to serve on active service in the forces since the tenth day of September, one thousand nine hundred and thirty-nine, and “discharged” has a corresponding meaning;

(f) “deceased member” includes a member of the forces who for the purposes of the force in which he served is officially presumed to have died;

(g) “forces” means the naval, military, or air forces of His Majesty raised in Canada;

(h) “gratuity” and “war service gratuity” means the gratuity payable under Part I of this Act;

- (i) "home" means a house or building intended for human habitation and owned solely by the member or his spouse or jointly by him and his spouse and used or to be used by the member as his dwelling, together with the land upon which it is situated, including, in the case of a farm, land used therewith for the purpose of farming;
- (j) "member" and "member of the forces" mean any person who was on service in the forces during the war which commenced in September, one thousand nine hundred and thirty-nine, and include any person who served in the Canadian Women's Army Corps since the thirteenth day of August, one thousand nine hundred and forty-one;
- (k) "Minister" means the Minister of Veterans Affairs;
- (l) "misconduct" includes
 - (a) the commission of an offence under the Naval Discipline Act, the Army Act or the Air Force Act, of which the member was convicted by a court-martial including, in the case of naval forces, a disciplinary court or of which he was found guilty upon summary disposition of the charge;
 - (b) the commission of an offence of which the member was convicted by a court of competent jurisdiction;
 - (c) such misconduct as might, in the case of an officer, result in his removal from the forces;
- (m) "overseas service" means any service involving duties required to be performed outside of the Western Hemisphere, and includes service involving duties required to be performed outside of Canada and the United States of America and the territorial waters thereof in aircraft or anywhere in a ship or other vessel, service in which is classed as "sea time" for the purpose of advancement of naval ratings, or which would be so classed were the ship or other vessel in the service of the naval forces of Canada;
- (n) "pay and allowances" includes dependents' allowance together with all other allowances calculable and payable on a daily basis except
 - (i) kit upkeep allowances;
 - (ii) underclothing allowances;
 - (iii) travelling allowances;
 - (iv) lodging and provisional allowance or subsistence allowance as the case may be in excess of the standard rates payable in Canada at the date of discharge;
 - (v) any special allowance payable overseas but not payable in respect of service in Canada;
- (o) "purchase of a business" includes the purchase of an interest in an existing partnership and the advance of capital for a new partnership, if the partnership business is to be the main occupation of the member and he intends to participate actively in that business;
- (p) "service" means time served on active service in the forces
 - (i) while enlisted or obligated to serve without territorial limitation or
 - (ii) in the Aleutian Islands, the United Kingdom or the European or the Mediterranean operational theatres; or
 - (iii) while proceeding from Canada to any of the places mentioned in clause (ii) of this paragraph or returning from any of the said places to Canada;

- (q) "Western Hemisphere" means the continents of North and South America, the islands adjacent thereto and the territorial waters thereof, including Newfoundland, Bermuda and the West Indies, but excluding Greenland, Iceland and the Aleutian Islands."

2. Section three of the said Act is repealed and the following substituted therefor:

"3. (1) Subject to the provisions of this Act, every member of the forces shall, upon discharge, be entitled to be paid a war service gratuity at the rate of seven dollars and fifty cents for every completed period of thirty days of service, and an additional sum of twenty-five cents for every day of overseas service which falls within such periods.

(2) In addition to the amounts mentioned in subsection one of this section, every member of the forces whose service includes overseas service shall, upon discharge, be entitled to be paid for each period of one hundred and eighty-three days of overseas service and proportionately for any less period, an amount computed on the basis of seven days' pay and allowances that were payable to or in respect of him at the date of discharge.

(3) Where a member is posted from an establishment, unit or ship for discharge purposes and his pay and allowances are reduced as a result of such posting the pay and allowances received by him immediately prior to such posting shall be used for the purpose of computing the amount paid to him under subsection (2) of this section.

(4) For the purposes of this section the expression "pay and allowances" includes

- (a) in the case of a member of the naval forces, lodging and provision allowance; and
- (b) in the case of a member of the military or air forces, subsistence allowance at the standard rates payable in Canada;

notwithstanding that at the date of his discharge he was not receiving such allowances.

(5) A period of overseas service shall be deemed to commence on the day the member is posted to the strength of an overseas unit, establishment, or ship and to conclude on the day he is taken on strength from overseas.

(6) A period of temporary duty overseas shall be deemed to be a period of overseas service and to commence on the day of proceeding from the parent unit, establishment or ship and to conclude on the day of the return thereto.

(7) In the case of naval forces the date shown on the certificate of service and on the list of official appointments shall be used for the purpose of this section in determining the dates of posting to and from His Majesty's Canadian ships and establishments with respect to any former member."

3. Section four of the said Act is repealed and the following substituted therefor:

"4. (1) If a member of the forces dies on service or after discharge but before he has been paid gratuity in full, payment of the gratuity or the unpaid balance thereof shall be made:

- (a) to a person who was in receipt of or who, in the opinion of the Dependents' Allowance Board, was eligible for dependents' allowance on behalf of the deceased member immediately prior to the member's death or discharge;

- (b) to a person, who, in the opinion of the Dependents' Allowance Board would have been eligible for dependents' allowance on behalf of the deceased member immediately prior to the member's death or discharge had such person not been a member of the forces; or
- (c) to a person who, in the opinion of the Minister or such authority as he may designate, was dependent in whole or in part upon a deceased member and to whom pay assigned by such member immediately prior to the member's death or discharge.

(2) If more than one person is entitled to payment of the gratuity under this section the Minister may direct that the gratuity be paid to any one of such persons or divided among them in such manner as he may determine.

(3) The Minister may authorize any person to receive payment of the gratuity on behalf of the person entitled thereto under subsection one or subsection two of this section and to utilize the gratuity for the benefit of the person entitled thereto in such manner as the authorized person in his discretion may determine.

(4) Where no person qualifies to receive payment of the gratuity or any unpaid balance thereof under this section in respect of a deceased member, the gratuity or the unpaid balance thereof shall form part of and be comprised in the deceased member's "service estate" as that expression is defined in subsection two of section seven of the Department of National Defence Act as enacted by chapter nine of the statutes of 1940.

(5) Where a person who was qualified to receive payment of a gratuity or any part thereof under this section dies before payment thereof in full the gratuity or that part thereof payable to him or any unpaid balance thereof shall not be paid to the estate of such person but shall be paid to such other person as may be entitled thereto in accordance with the provisions of this Act and if no other person is so entitled, shall form part of and be comprised in the deceased member's service estate in accordance with the provisions of subsection four of this section."

4. Section five of the said Act is repealed and the following substituted therefor:—

"5. (1) Pursuant to regulations of the Governor in Council in that behalf there may be deducted from the war service gratuity

(a) overpayments of pay and allowances, other than dependents' allowance but including assigned pay, as follows:—

- (i) pay or allowances issued to or on account of a member at rates in excess of those authorized by the appropriate naval, military or air force financial regulations;
- (ii) pay or allowances issued to or on account of a member that, having regard to his naval, military or air force status at the date of issue, were not authorized by the appropriate naval, military or air force financial regulations; and
- (iii) advances of travel allowances not accounted for by a member at the time of payment of the gratuity, or any portion thereof, to or in respect of such member;

(b) overpayments of dependent's allowance as follows:

- (i) any overpayment which the Dependents' Allowance Board has ordered to be recovered from a member upon a finding, concurred in by the Judge Advocate General, that such member was guilty of wilful misrepresentation or fraud;

- (ii) where the gratuity, by reason of the death of the member to whom it was payable, becomes payable in whole or in part to a dependent, any overpayment which the Dependent's Allowance Board has found, with the concurrence of the Judge Advocate General, to have been made to such dependent as a result of wilful misrepresentation or fraud by the member or the dependent.
- (c) such other payments of pay and allowances made to or on account of a member, or to his dependents, as the Governor in Council may authorize.
- (2) Any amount deducted from the gratuity pursuant to subsection one of this section shall, to the extent that His Majesty has previously been reimbursed in respect of the overpayment by any person other than the member to or on account of whom the overpayment was made, be paid over to that person.
- (3) The provisions of the Act entitled 'An Act respecting debts due to the Crown,' chapter eighteen of the statutes of 1932 shall not apply to a gratuity."

5. Section six of the said Act is repealed.

6. Section seven of the said Act is repealed and the following substituted therefor:—

- "6. (1) Payment of war service gratuity to a member of the forces shall be made in monthly instalments payable in arrear not exceeding the amount of pay and allowances, including dependent's allowance, paid to or in respect of such member for the thirty days immediately preceding his discharge, unless as a result of a posting from an establishment, unit or ship for discharge purposes, his pay and allowances are reduced, in which case no instalment shall exceed the pay and allowances including dependents' allowance in issue to such member for the thirty days immediately preceding such posting and including also, in the case of a member of the Naval forces, lodging and provision allowance, and in the case of a member of the military or air force, subsistence allowance at the standard rates payable in Canada, notwithstanding that at the date of discharge he was not receiving such allowances.
- (2) For the purposes of this section the pay and allowances, including dependent's allowance, in issue for the thirty days immediately preceding discharge or for the thirty days immediately preceding the posting of the member from an establishment, unit, or ship for discharge purposes, as the case may be, shall be deemed to be the equivalent of the daily rate in issue for the last day of either of such thirty day periods multiplied by thirty."

7. Section eight of the said Act is repealed and the following substituted therefor:

"7. Subject to the provisions of this Act, every member of the forces who does not elect to take benefits under the Veterans' Land Act, 1942, except section thirteen thereof, or any educational, vocational or technical training benefits which are provided out of moneys appropriated by Parliament, other than such similar benefits as may be available to a former member under the provisions of the Department of Veterans Affairs Act, shall in order to assist in his re-establishment, be eligible, in addition to the war service gratuity, for a re-establishment credit in an amount equal to the total amount payable to him under subsection one of section three of this Act."

8. The said Act is amended by adding thereto immediately following section seven thereof the following section:—

“8. No credit shall be made available to a member unless the member is resident in Canada and the Minister is satisfied that the credit will be used for one or more of the purposes specified in section nine of this Act and for the re-establishment of the member in Canada provided: however, that except as may be provided by order in council this section shall not apply in the case of a member who desires to use re-establishment credit for the payment of premiums under The Veterans Insurance Act or The Returned Soldiers' Insurance Act, or for the payment of the purchase price of an annuity purchased by him under the Government Annuities Act.”

9. Section nine of the said Act is repealed and the following substituted therefor:—

“9. (1) All or any part of the re-establishment credit may, within a period of ten years from the first day of January, one thousand nine hundred and forty-five, or the date of his discharge, whichever is the later, be made available to or for the member of the forces eligible therefor when it is shown to the satisfaction of the Minister that such credit is to be used for:—

(a) the acquisition of a home

(i) under The National Housing Act, 1944, in an amount not exceeding two-thirds of the difference between the lending value of the home and the amount of the loan made under that Act; or

(ii) not under The National Housing Act, 1944, in an amount not exceeding two-thirds of the difference between the appraised value of the home as approved by the Minister or the purchase price, whichever is the lower, and the amount of the encumbrance thereon, assumed or created by the member;

(b) the repair or modernization of his home;

(c) the reduction or discharge of indebtedness under any agreement for sale, mortgage, or other encumbrance on his home, in an amount not exceeding twice the amount that the member himself simultaneously contributes to such purpose;

(d) the purchase of furniture and household equipment for his domestic use in an amount not exceeding ninety per centum of the purchase price of the furniture or household equipment or the payment of the full cost of repair of such articles;

(e) the provision of working capital for his business;

(f) the purchase of tools, instruments or equipment for his business or the cost of repair of such articles;

(g) the purchase of a business by him in an amount not exceeding two-thirds of the difference between the purchase price and any indebtedness incurred for the purpose of the purchase of such business, if the payment of such difference entitles the purchaser to immediate possession;

(h) the payment of premiums under any insurance scheme established by the Government of Canada, including:—

(i) payment of premiums pursuant to any contract of insurance to which he is a party under The Returned Soldiers' Insurance Act, The Veterans Insurance Act or the Civil Service Insurance Act;

(ii) payment under subsection two of section forty-nine of the Royal Canadian Mounted Police Act of a deficiency in deduction from his pay as an officer of the Royal Canadian Mounted Police;

- (iii) payment of contributions in respect of his service as a constable of the Royal Canadian Mounted Police under sections sixty-seven, seventy-eight, eighty-one or eighty-two of the Royal Canadian Mounted Police Act;
- (iv) payment of contributions under section five of the Civil Service Superannuation Act in respect of his service in the Civil Service prior to becoming a contributor under that Act;
- (v) payment under subsection two of section ten of the Militia Pension Act of a deficiency in deduction from his pay as an officer as defined in that Act;
- (vi) payment of the purchase price of an annuity purchased by him under the Government Annuities Act;
- (i) payment of fees and the purchase of special equipment including instruments, books, tools and other equipment required for educational and vocational training other than educational and vocational training provided by the laws of Canada for members of the forces;
- (j) any other purpose authorized by the Governor in Council.

(2) No credit shall be made available for the purchase of furniture or household equipment or for the payment of any debts incurred by the purchase of furniture or household equipment if the actual possession of the furniture or household equipment does not pass to the buyer when the contract is made or if it is agreed, provided or conditioned in the contract that the right of property in or right of possession to the furniture or household equipment in whole or in part shall remain in the seller notwithstanding that the actual possession of the furniture or household equipment passes to the buyer."

10. Section eleven of the said Act is repealed and the following substituted therefor:

"11. No officer and no warrant officer of the naval forces, and no officer of the military or air forces, shall be entitled to any benefits under this act if, since the tenth day of September, one thousand nine hundred and thirty nine,

- (a) he is cashiered or dismissed from the service by a sentence of a court-martial;
- (b) he is deprived of his commission or warrant by reason of misconduct;
- (c) he is called upon to retire or to resign his commission or warrant by reason of misconduct;
- (d) his resignation is accepted by reason of misconduct."

11. Section twelve of the said Act is repealed and the following substituted therefor:

"12. No seaman, soldier, or airman shall be entitled to any benefits under this Act if he has been discharged since the tenth day of September, one thousand nine hundred and thirty-nine,

- (a) having been sentenced to be discharged with ignominy or, in the naval forces, to dismissal with or without disgrace;
- (b) by reason of his having been convicted by a civil court or by court-martial during his service;
- (c) for misconduct.

2. A seaman who was discharged for the stated reason of "services no longer required" and a soldier or airman who was discharged for the stated reason of "misconduct" shall be deemed to have been discharged for misconduct for the purposes of section twelve of this Act."

12. The said Act is further amended by adding thereto immediately after section twelve thereof the following sections:

"12A. Where a member is discharged for any of the reasons or in any of the circumstances set forth in section eleven or section twelve of this Act and subsequently rejoins the forces he shall not be disqualified under the said sections from receiving benefits under this Act in respect of his services after he so rejoins, by reason only of his conduct prior to such discharge.

12B. (1) The application for gratuity of every member who is discharged for any of the reasons or in any of the circumstances set forth in sections 11 or 12 of this Act shall forthwith, together with all documents relating to the member's service, be referred to the Board of Review as constituted by the next succeeding subsection of this section.

(2) There shall be a Board to be called the "Board of Review" which shall consist of not less than three and not more than five members who shall be appointed by the Minister with the approval of the Governor in Council.

(3) At least one of such members shall be a person who, in the opinion of the Minister, is representative of organized veterans. One of such members shall be designated to be chairman of the Board and such number of members as the Governor in Council may determine shall constitute a quorum.

(4) The members of the Board shall receive such remuneration as the Governor in Council may determine.

(5) (a) All officers, clerks or other employees required by the Board for the performance of its functions shall be appointed according to law.

(b) A civil servant who prior to or at the time of his appointment as a member of the Board was or is a contributor under the provisions of the Civil Service Superannuation Act may elect, within three months of his appointment, and shall be eligible notwithstanding the provisions of the Civil Service Superannuation Act, to continue to be a contributor under the said Act and in such event his tenure of office as a member of the Board shall be counted as service in the Civil Service for the purposes of the said Act and he, his widow and children, or other dependents, if any, shall be eligible to receive the respective allowances or gratuities provided by the said Act, and in the event of his being retired from the office as a member of the Board for any reason other than misconduct, he shall be eligible to receive the same benefits under the said Act as if his office as member of the Board had been abolished.

(6) The Board may, with the approval of the Governor in Council, make rules for regulating its proceedings and the performance of its functions.

(7) It shall be the duty of the Board and it is hereby empowered to examine every application referred to it pursuant to the provisions of subsection one of this section and to consider the nature and extent of the services rendered by the member in the Armed Forces and to investigate the circumstances under which the member was discharged and for that purpose the Board is authorized to make such enquiries, hear such witnesses, and take such evidence as it may deem necessary.

(8) Where, on such examination and investigation the Board is of the opinion that it would be inconsistent with the true spirit and intent of this Act to deprive the member of benefits of the Act by reason of sections eleven or twelve of the Act, the Board shall by order direct that the member shall receive the benefits of this Act as completely as if said sections 11 and 12 were not part of this Act."

13. Section sixteen of the said Act is repealed and the following substituted therefor:

"16. (1) If a member of the forces, before he has been paid or granted all or any part of the gratuity or credit is reappointed to or re-enlists in the forces, the balance of such gratuity or credit remaining unpaid or not granted shall not be paid or granted to such member until his subsequent discharge at which time he shall be entitled to be paid or granted such gratuity or credit or the balance thereof in addition to any further gratuity or credit to which he may be entitled under this Act by reason of his subsequent period of service.

(2) The benefits provided by subsection one of section three and section seven of this Act payable to or in respect of a member who has had service in more than one force, shall be calculated as if his total service had been uninterrupted service in any one of such forces, and the benefits provided by subsection two of section three of this Act, payable to or in respect of a member who has had service in more than one force and overseas service in at least one force, shall be calculated separately for each force in which he had overseas service on the basis of the pay and allowances payable to or in respect of him at the date of discharge from each such force.

(3) A member who joins the Permanent Naval or Military Forces or the Regular Air Force on or before the thirty-first day of March, one thousand nine hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on that date. A member who joins the Permanent Naval or Military Forces or the Regular Air Force subsequent to the thirty-first day of March, one thousand nine hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on the date of his acceptance for service in one of such forces.

(4) Unless the Minister otherwise directs, a member who is serving with the naval, military or air forces other than the Permanent Naval or Military Forces or the Regular Air Force on the thirty-first day of March, one thousand nine hundred and forty-six, shall not be paid his gratuity or granted his credit until he resumes his civilian status."

14. Section seventeen of the said Act is repealed and the following substituted therefor:—

"17. (1) Subject to subsection two of this section, a person who, subsequent to the tenth day of September, one thousand nine hundred and thirty-nine, served on active service in any of the naval, military or air forces of His Majesty other than those raised in Canada, and at the time he joined the said force was domiciled in Canada, shall be entitled to be paid a gratuity and granted a credit equal to those which might have been paid or granted to him under this Act had such service been service in the forces, if he makes application therefor and if at the time of his application he is domiciled and resident in Canada.

(2) There shall be deducted from the gratuity or credit authorized by subsection one of this section the amount of any pecuniary benefit, of the same nature as a gratuity or credit authorized to be paid or granted to members of the forces under this Act, that the person has received or is entitled to receive in respect of his service from any government other than that of Canada.

(3) The provisions of section 4 of this Act shall apply to and in respect of any such person as if such person had been a member of the forces at the time of his death or discharge from the forces of His Majesty other than those raised in Canada, Provided: That where no person qualifies to receive payment of the gratuity or any unpaid balance thereof under this section in respect of any such deceased person, the gratuity or the unpaid balance thereof shall be paid to the

director of estates for distribution to the person or persons to whom the service estate of the deceased was or will be paid by the government other than that of Canada in respect of his service.

17A. Any question arising under section fifteen or section seventeen of this Act as to whether any pecuniary benefit granted by any government other than that of Canada is of the same nature as a gratuity or credit authorized to be paid or granted to members of the forces under this Act shall be referred to the Minister or to such authority as the Minister may designate and the decision of the Minister or that authority, as the case may be, shall be final."

15. Section 20 of the said Act is repealed and the following substituted therefor:—

"20. (1) No gratuity payable or credit available to a member of the forces or his dependents shall be subject to attachment, levy, seizure, or assignment under any legal process or to taxation.

(2) No such gratuity or credit or any part of either may be assigned, charged, anticipated, commuted, given as security or otherwise dealt with and any purported assignment, charge, anticipation, commutation, or other transactions relating to the gratuity or credit made, entered into, or completed contrary to the provisions of this section, shall be wholly void and of no effect."

16. Sections 22, 23, 24 and 25 of the said Act are renumbered respectively as 25, 26, 27 and 28 and the following sections are added thereto:—

22. If any member uses a credit for any purpose not authorized under this Act or the regulations made thereunder, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding two months or to both such fine and such imprisonment.

23. Any person who

- (a) knowingly assists any member in using or attempting to use a credit for any purpose not authorized under this Act or the regulations made thereunder, or
- (b) counsels or abets any member in the use or the attempted use of a credit for any purpose not authorized under this Act or the regulations made thereunder; or
- (c) knowingly makes any statement or gives any information which is false in any material particular for the purpose of having made available any credit to him or on his behalf;

shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding three months or both such fine and such imprisonment.

24. Notwithstanding any law to the contrary, any complaint or information with respect to any violation of the provisions of this Act may be made or laid within one year from the time when the matter of complaint or information arose.

All of which is respectfully submitted.

W. A. TUCKER,
Chairman.

FRIDAY, NOVEMBER 9, 1945.

The Special Committee on Veterans Affairs begs leave to present the following as its

THIRD REPORT

Your Committee recommends that the Government give consideration to rescinding Order-in-Council P.C. 6650, dated October 26, 1945.

All of which is respectfully submitted.

W. A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

FRIDAY, November 9, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Belzile, Benidickson, Bentley, Blanchette, Brooks, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gillis, Green, Herridge, Isnor, Jutras, Langlois, Marshall, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Probe, Quelch, Sinclair (*Vancouver North*), Viau, Winkler, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Colonel L. Firth; Lieut.-Col. W. J. Lawson.

A report was received from the Steering Committee recommending that the sub-committee on the use of gratuity credits for the purchase of shares in co-operatives be composed of Messrs. Jutras (Chairman), Winters, Belzile, Benidickson, Drope, Harkness, Quelch and Bentley.

The Chairman tabled copies of orders-in-council and regulations under which service estates are administered, viz.

Naval General Order, 839; Air Force R.O. 218—Appendix 1940; Appendix to C.A.S.F., R.O. 450;

Extracts from P.C. 7249, dated Dec. 11, 1940;

P.C. 4738 dated June 10, 1943;

P.C. 5930 dated July 28, 1943; and

P.C. 6223, dated Oct. 8, 1945,

all of which are printed as Appendix "A" to this day's minutes of evidence.

On motion of Mr. Sinclair, it was agreed to suspend consideration of the proposed draft bill to amend The War Service Grants Act, 1944, and to discuss the case of Canadian nurses who served with the South African Military Nursing Service.

The Chairman read a draft report to Council recommending that such Canadian nurses be considered to have been members of His Majesty's forces other than Canadian and that they be eligible for all re-establishment benefits available to persons domiciled in Canada who have so served.

The draft order-in-council was unanimously approved.

Consideration of the proposed draft bill to amend The War Service Grants Act, 1944 was resumed.

Clause 13 was amended by adding thereto the following as subsections (3) and (4) of section 16 of the Act:—

(3) A member who joins the Permanent Naval or Military Forces or the Regular Air Force on or before the thirty-first day of March, one thousand nine hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on that date. A member who joins the Permanent Naval or Military Forces or the Regular Air Force subsequent to the thirty-first day of March, one thousand nine

hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on the date of his acceptance for service in one of such forces.

(4) Unless the Minister otherwise directs, a member who is serving with the naval, military or air forces other than the Permanent Naval or Military Forces or the Regular Air Force on the thirty-first day of March, one thousand nine hundred and forty-six, shall not be paid his gratuity or granted his credit until he resumes his civilian status.

Clause 13, as amended, was adopted.

Col. Firth was called, heard, questioned and retired.

Col. Lawson was recalled and questioned.

Clause 14 was amended by deleting that part relating to section 17 of the Act and substituting therefor the following:—

14. Section seventeen of the said Act is repealed and the following substituted therefor:—

17. (1) Subject to subsection two of this section, a person who subsequent to the tenth day of September, one thousand nine hundred and thirty-nine, served on active service in any of the naval, military or air forces of His Majesty other than those raised in Canada, and at the time he joined the said force was domiciled in Canada, shall be entitled to be paid a gratuity and granted a credit equal to those which might have been paid or granted to him under this Act had such service been service in the forces, if he makes application therefor and if at the time of his application he is domiciled and resident in Canada.

(2) There shall be deducted from the gratuity or credit authorized by subsection one of this section the amount of any pecuniary benefit, of the same nature as a gratuity or credit authorized to be paid or granted to members of the forces under this Act, that the person has received or is entitled to receive in respect of his service from any government other than that of Canada.

(3) The provisions of section 4 of this Act shall apply to and in respect of any such person as if such person had been a member of the forces at the time of his death or discharge from the forces of His Majesty other than those raised in Canada. Provided: That where no person qualifies to receive payment of the gratuity or any unpaid balance thereof under this section in respect of any such deceased person, the gratuity or the unpaid balance thereof shall be paid to the director of estates for distribution to the person or persons to whom the service estate of the deceased was or will be paid by the government other than that of Canada in respect of his service.

Clause 14, as amended was adopted.

The draft bill was further amended by adding thereto the following as Clause 16:—

16. Sections 22, 23, 24 and 25 of the said Act are renumbered respectively as 25, 26, 27 and 28 and the following sections are added thereto:—

22. If any member uses a credit for any purpose not authorized under this Act or the regulations made thereunder, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding two months or to both such fine and such imprisonment.

23. Any person who

- (a) knowingly assist any member in using or attempting to use a credit for any purpose not authorized under this Act or the regulations made thereunder; or
- (b) counsels or abets any member in the use or the attempted use of a credit for any purpose not authorized under this Act or the regulations made thereunder; or
- (c) knowingly makes any statement or gives any information which is false in any material particular for the purpose of having made available any credit to him or on his behalf;

shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding three months or both such fine and such imprisonment.

24. Notwithstanding any law to the contrary, any complaint or information with respect to any violation of the provisions of this Act may be made or laid within one year from the time when the matter of complaint or information arose.

On motion of Mr. Green, it was resolved that paragraph (s) of clause 1, as adopted by the Committee on October 23, be not further amended.

Col. Lawson retired.

The title was adopted.

The draft bill to amend The War Service Grants Act, 1944, as amended, was adopted, and the Chairman was ordered to report to the House accordingly. (See Second Report.)

On motion of Mr. Sinclair, a draft report recommending that the Government consider rescinding Order in Council P.C. 6650 was adopted and ordered to be reported to the House. (See Third Report.)

Mr. Sinclair from the sub-committee on the regulations covering discharges for misconduct from the Armed Services reported as follows:—

The sub-committee of Messrs. Cruickshank, Fulton, Probe, Quelch and Sinclair, appointed by the Veterans Affairs Committee on November 1, 1945, to study the question of a recommendation to the House relating to the reconsideration of the regulations covering discharges for misconduct from the Armed Services, submit the following report:

Whereas the Bill, as now drafted, provides that every case where a member of the Armed Services has been discharged for misconduct shall be referred to the Board of Review, constituted under Section 12 of the Bill, and that the said Board shall consider the case from the point of view of the worth of the member's service to his country;

And whereas the Board, where it feels that the worth of the member's service outweighs the seriousness of his misconduct, has power to order the payment of his gratuity, and the Board in making this decision, will have before it all the facts of the case;

Therefore, your sub-committee feels that it should logically follow that, as the worth of the member's service has been decided to be the predominating factor, no further disability in the way of obtaining employment and rehabilitation should follow on account of any entry on the discharge sheet, and so RECOMMENDS—THAT in all cases where the Board of Review has made an order granting gratuities, the discharge sheets shall be automatically referred back to the Service concerned for amendment of the cause of discharge to read:—"Free to take up civilian occupation."

It was agreed that the draft of a proposed bill to amend *The Veterans' Land Act, 1942* would be considered at the next sitting.

At 1.25 o'clock p.m., the Committee adjourned until Monday, November 12, at 11.00 o'clock a.m.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 9, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, I am sorry I was a little bit late this morning but I was unable to get away. In regard to the subcommittee having to do with cooperatives, after consulting with the steering committee I would name the following as members: Mr. Jutras, Chairman; Mr. Winters, Mr. Belzile, Mr. Benidickson, Mr. Drope, Mr. Harkness, Mr. Quelch and Mr. Bentley. I name them as a committee to study and report to this committee on that question. Then there is another question. It was brought up in regard to the legal basis on which service estates are handled. There are several orders in council in the matter. I wonder if you would like to have them all printed in the record. It is the basis on which service estates are handled. Unless there is land involved which requires transmission in the province they do not have to go to the expense of applying for probate or letters of administration in the province. There is a branch of the department which handles estates without charge. If it is the wish of the committee we can table these as an appendix to the record or we can put the operative section of each order in council into the record with a few explanatory notes to make it clear what the jurisdiction is in the matter. Our departmental solicitor could prepare an appendix based on these, could you not, Mr. Gunn, without putting the whole thing in with all the recitals?

Mr. GUNN: Yes, I could, Mr. Chairman. May I say that I think the recitals are explanatory in each case. It is doubtful whether any other explanation could be prepared that would be equally brief. If I may make a suggestion it seems to me that they might be attached as an appendix to the proceedings.

The CHAIRMAN: Is it the desire of the committee that should be done?

Mr. JUTRAS: Carried.

The CHAIRMAN: That will be Appendix "A".

Our first section is section 13.

Mr. MERRITT: Before we go on with the sections there is one matter I should like to bring to the attention of the committee arising out of a letter I have just received. Apparently the Canadian nurses who went to South Africa are in a somewhat indeterminate position as to whether they come under this Act and similar Acts. The letter I have received indicates that four of them who live in Vancouver were accepted at the University of British Columbia for nursing extension courses on the authority of the Department of Veterans Affairs. After starting the course on October 30th they received instructions from the department that they were not eligible to continue the course, the reason given that word had just been received to this effect from the Department of Justice here. They go on to say, too, they have had no word of gratuities. I do not think it was within the knowledge of the members of the committee that these Canadians who enlisted in the service in Canada and went to South

Africa at the call of the Canadian government were not members of His Majesty's forces raised in Canada. If I could I should like to have some clarification on that point.

Mr. EMMERSON: May I say a word on this? I am very glad that the hon. member has brought it up for I had intended to draw the attention of the committee to the situation that these nurses find themselves in. I think perhaps most of you are familiar with the matter. The South African government told the Canadian government they wished to get some of our Canadian nurses for service with the South African military medical service. Our Department of National Defence recruited some 300. There were 298 landed there. I have seen discharge certificates signed by the matron in chief of the South African nursing service giving the time of service of the nurse for which the certificate was given. There is no question about it. I think our Department of National Defence have always maintained that these girls were serving in a force and came under the meaning of the Act. It seems now that the South African government claim they were not of the forces and this does not permit the Department of Veterans Affairs to give them any of the benefits. As the last member said some started on courses and some are about to start on courses this month and next month but just recently they have been notified they are not eligible for the benefits. I feel that this committee could very well, if they wish to do so, make a recommendation that the government should pass an order in council establishing the fact that these South African nurses were serving in the forces within the meaning of this Act. It might better be brought into the bill but in order that these girls should get on with their courses and receive their gratuities I feel that it is a matter that should be handled by the government by order in council. I bring this to the attention of the members of the committee.

The CHAIRMAN: This is one of the matters that kept me a little late this morning. We were discussing this very matter in the subcommittee of the cabinet on demobilization and rehabilitation. As has been pointed out apparently the South African nurses signed a contract whereby they would serve for one year with the right of renewal. They were to serve in the military nursing services of South Africa. Apparently it was understood, as has been stated, that their nursing services were a part of their armed services, but it has now been discovered that the nursing service of South Africa is not a part of the armed services of South Africa. Therefore, the Department of Justice has ruled they did not leave to serve in the armed forces of His Majesty because of the law of South Africa. That, of course, is rather a surprise. It brings up this other difficulty now that they signed on for one year and could leave the service at the expiration of one year. I do not know whether it is true or not as we did not take evidence on it but I am told that a substantial proportion of them did leave the service at the expiration of one year. I understand that it was almost one-half. Have you actual information on that?

Mr. EMMERSON: There were 43 left.

The CHAIRMAN: 43 out of 300. Then it is too bad we did not have that exact information because apparently somebody had reported that almost half left. It is being considered. There is a further difficulty. If we undertake to deal with them then it raises the question of whether this committee is going to object about it. Are they going to object to an order in council along the line Mr. Emmerson has mentioned that they shall be deemed to be members of the armed forces? Are they going to object to that being dealt with by order in council both on the ground it is dealing with it by order in council and on the ground it is dealing with it before dealing with the V.A.Ds, the supervisors under the auxiliary services, the fire fighters, people in the merchant marine, and so on. Is there going to be any objection by this committee to that being done? I am

glad it has been brought up because if the committee will indicate what they feel about the matter it will help in regard to action being taken. If the committee wishes to discuss that for a few minutes this morning I think we could do so by unanimous consent. It is a departure from what we decided would be our course of proceedings, but if the committee wishes to discuss that so as to help in coming to a decision we could do so by unanimous consent.

Mr. SINCLAIR: I so move.

The CHAIRMAN: It is carried that we discuss it for a few minutes. Do you wish to speak to that, Mr. Green? Do you wish to speak to the motion that we consider it for a few minutes?

Mr. GREEN: Oh no, I have no objection to that.

The CHAIRMAN: It is carried that we discuss it for a few minutes. What is the attitude of the committee towards these two points, dealing with it by order in council, and dealing with it at this time when we are leaving these other items until we have dealt with the armed services? There is this to be said that there is no doubt that these nurses, and everybody in Canada, thought that they were leaving Canada to serve in one of the forces of His Majesty. There is no doubt they thought that. So it does put them in a slightly different position from everybody else.

Mr. BROOKS: May I ask whether we could deal with them at the same time we deal with the fire fighters and the supervisors? By that I mean could we include them in that Act?

Mr. CROLL: We might decide in that Act to extend perhaps half the privileges whereas if these people are entitled to anything they are entitled to everything. May I take one moment with respect to orders in council? I think we ought to be clear on that. There is no objection from this committee. As I understand it what the committee objected to was the fact that we were not consulted on the matter. There are some things that may have to be done by orders in council. If we have discussed it here and recommend it I am sure there would be no objection with respect to that point. With respect to the other matter, from what I heard in the House of Commons some time ago, what they say now, and the feeling of the men I have talked to about it, it seems to me that this was just a legal quirk or misunderstanding more than anything else. If we can correct it we ought to correct it as soon as we possibly can if we are satisfied and extend it to these people who are legitimately entitled to it on the very same basis that we extend it to all other people who were in the services.

Mr. MERRITT: That is substantially what I was going to say. From this rather good document here I might inform the committee of the circumstances. These nurses were recruited by the Canadian government which asked for volunteers by means of the press and radio. Their applications were forwarded to N.D.H.Q., through the same routine as applications for the R.C.A.M.C., and were passed on to the South African representative in Ottawa. They signed a contract to serve for a year, and there was power of renewal. They were equipped with the uniform of the Canadian nursing sister and were sent out to South Africa. I think the reason some of them came back at the end of the year is set out here. They found when they got there that rates of pay were substantially lower than were stated in the contract. They were exactly £9 a month less. And they did not make an issue of it, but a lot of them came back at the expiration of the year and re-enlisted in the R.C.A.M.C. That seems to be their history. But on the point of the difference between these people and the fire-fighters, the substantial difference as Mr. Croll just pointed out is that it was a technical legal ruling, although everybody believed that up until apparently October 30, these nurses were within the provision of the Act. Therefore, I personally would be in favour of a correction of that technical ruling in line

with what everybody expected; and it is being done in the particular case of the firefighters and people like that who have been provided for but who have not been told that they were going to be provided for, whereas these girls actually started courses and are not being allowed to continue them. This to my mind makes it an urgent matter, and one that should be corrected immediately.

Mr. SINCLAIR: What would be the basis of this ruling from the government that these nurses are not members of the armed services? Some of them served actually in Tobruk during the siege of Tobruk.

The CHAIRMAN: It has been said, as a matter of military law, that they are not members of the armed forces. Although they are a military nursing service they are not members of the armed forces. I think that is the trouble.

Mr. GREEN: It seems strange that our Department of Justice would be bound by a South African administrative arrangement. The Act here says "anyone who served on active service in the naval, military or air forces of His Majesty". Surely Canada is the one to decide whether these people have been on active service or not.

Mr. CROLL: When the two members of the committee were just speaking, I noticed Mr. Lawson bowed his head assenting to the statement that they are not considered part of the armed services.

Mr. GREEN: Surely that decision should be made here in Canada. We should not be bound by a decision of someone down in Pretoria.

The CHAIRMAN: It is a very narrow decision. It is because of that that we have been considering it, and the government has been considering it; and we have the actual ruling here, which I will read to the committee. It is dated March 6, 1945; addressed to the deputy minister, army, Department of National Defence; and it is from the accredited representative at Ottawa of the Union of South Africa, and it says in part:—

- (1) Canadian nurses who enlisted for service in South Africa are members of the South African Military Nursing Service, but like all South African members of the S.A.M.N.S. and members of all other women's services in South Africa, they are not classified by the South African military authorities as members of the South African Defence forces.
- (2) The Union government regard those members of the S.A.M.N.S. who serve in theatres of operations as being on active service, but do not regard those who serve in the Union as being on active service.

Mr. CROLL: And we do the same thing.

The CHAIRMAN: But so far as we are concerned, I think I can say this to the committee, that this has received very careful attention. But I have urged that anything before this committee be not dealt with by order in council without the committee being consulted, so that there is a draft proposal here which I will lay before you. It is headed:—

DRAFT REPORT TO COUNCIL PREPARED FOR CONSIDERATION OF SPECIAL PARLIAMENTARY COMMITTEE ON VETERANS LEGISLATION

To His Excellency the Administrator in Council:

The undersigned has the honour to report:—

That during the present war approximately 400 nurses were engaged in Canada by or with the approval of the Government of South Africa for professional services in South Africa and thereby became members of an organization known as the South African Military Nursing Services; and

That the South African Military Nursing Services was not, at any time pertinent to the foregoing, a military establishment in the sense that the members thereof were members of His Majesty's armed forces; and

That it has been represented to the undersigned that the nurses aforesaid believed that on joining the South African Military Nursing Services they became members of His Majesty's forces on active service, and that by reason thereof entitled to all re-establishment benefits available to Canadians who served in His Majesty's forces other than Canadian forces; and

That while the benefits which these Canadian nurses may be entitled to receive from the Government of South Africa have not yet been fully ascertained, information has been obtained that members of the South African Military Nursing Services are entitled to receive the following:—

- (a) £30 clothing allowance
- (b) Gratuity at the rate of 15/-per month for every month of service
- (c) On release, and on application, an immediate grant up to £50 may be given if necessary for reinstatement
- (d) Application for further financial assistance may be made and, depending on the merits of each individual case, a maximum grant of £250, or a maximum loan of £1,250, may be made;

and

That, in the opinion of the undersigned, the said nurses ought, in justice, to be considered to have been members of His Majesty's forces other than Canadian in order that they may receive re-establishment benefits available under Canadian law to persons domiciled in Canada who have so served.

Now, Therefore, the undersigned has the honour to recommend that Your Excellency the Administrator in Council under and by virtue of the War Measures Act be pleased to order as follows:—

1. This Order may be cited as The South African Nursing Services (Benefits) Order.

2. Every person domiciled and resident in Canada who served as a member of The South African Military Nursing Services in any place outside of Canada and who, at the time that such person became a member of such organization, was domiciled and resident in Canada, shall, on termination of such service be deemed to have served on active service in His Majesty's forces other than Canadian forces and, by reason of such service, entitled to all benefits, rights and privileges available under the following Acts and Order and subject to all conditions as are in such Acts and Order contained:—

The Department of Veterans Affairs Act,
The War Service Grants Act, 1944,
The Veterans Insurance Act,
The Veterans' Land Act, 1942,
The War Veterans' Allowance Act,
The Reinstatement in Civil Employment Act, 1942,
Pension Act,
The Post-Discharge Re-Establishment Order, and Civil Service Act.

3. There shall be deducted from any pecuniary benefit authorized hereunder the amount of any pecuniary benefit of the same nature received by or available to or in respect of any such person from the Government of South Africa and arising out of service in The South African Military Nursing Services.

4. This Order shall be administered by the Minister of Veterans Affairs who is hereby authorized to make such rules and regulations,

subject to the approval of the Governor in Council, as may be necessary or advisable to give effect to the provisions of this Order according to their true spirit and intent and for that purpose to supplement such provisions.

5. Expenditures required to be made under and by virtue of this Order may be charged to War Appropriation for the current fiscal year and thereafter to moneys voted by Parliament for the purpose.

Respectfully submitted,

Minister of Veterans Affairs.

And now, gentlemen, I lay this before you for your consideration and recommendation. It has not been submitted to council because it was desired to get the opinion of this committee on it before that step was taken.

Mr. MUTCH: Was there any limitation on that at all?

The CHAIRMAN: The only limitation on this is, as you will see, that we do not put the people who went into this service in a better position than our Canadian nurses.

Mr. CROLL: They can't get both.

The CHAIRMAN: It brings them both up to the same level.

Mr. PEARKES: That is interesting; that nurses have been admitted to rank and wear the Canadian military uniform throughout their service with the stars of lieutenant, captain, major and lieutenant-C.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Is it the wish of the committee then to express approval of this order in council being put through at once?

Mr. CROLL: Will it not be better if we were just to limit our action to making a recommendation?

The CHAIRMAN: I just wish to know if there is going to be any objection to it.

Mr. MUTCH: I think you are on pretty safe ground.

The CHAIRMAN: If there is going to be no objection, I will report the fact that the committee felt unanimously that this action should be taken.

Some hon. MEMBERS: Carried.

Recommendation to approve draft order in council agreed to.

The CHAIRMAN: And now, we have the proposed new section 3 here to section 16; which reads:—

- (3) A member who joins the permanent naval or military forces or the regular air force on or before the thirty-first day of March, one thousand nine hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on that date. A member who joins the permanent naval or military forces or the regular air force subsequent to the thirty-first day of March, one thousand nine hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on the date of his acceptance for service in one of such forces.

That is dealing with the permanent force. They get their gratuity, as I understand it; they get paid their gratuity on joining the permanent force. That is the effect of that?

Colonel LAWSON: That is right.

Mr. GREEN: Does that take the place of section 16, the present section 16?

The CHAIRMAN: This will be subsection 3 to that.

Colonel LAWSON: This is added to the section.

The CHAIRMAN: Is that satisfactory?

Mr. GREEN: I understood the committee to recommend yesterday that there should be discretion given to the minister to grant a man—

The CHAIRMAN: That is subsection 4.

Mr. GREEN: Allowances in any case.

The CHAIRMAN: I will read the rest of it then:—

- (4) Unless the minister otherwise directs, a member who is serving with the naval, military or air forces other than the permanent naval or military forces or the regular air force on the thirty-first day of March, one thousand nine hundred and forty-six, shall not be paid his gratuity or granted his credit until he resumes his civilian status.

That provides that unless the minister otherwise orders, if he carries on in the service or is in the service, he does not get his gratuity unless the minister directs.

Mr. BENTLEY: Does that leave the way open for him to make application?

The CHAIRMAN: Yes.

Mr. Mutch: That covers the case of a man who has a partially built house or some commitment that might involve loss.

Mr. GREEN: Would you read section 3 again?

The CHAIRMAN: Yes.

- (3) A member who joins the permanent naval or military forces or the regular air force on or before the thirty-first day of March, one thousand nine hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on that date. A member who joins the permanent naval or military forces or the regular air force subsequent to the thirty-first day of March, one thousand nine hundred and forty-six, shall be paid his gratuity and may be granted his credit in the manner provided in this Act on the date of his acceptance for service in one of such forces.

Would you explain then why you divided them up?

Colonel LAWSON: The reason for the division is this: First of all, with respect to a man who is now in the permanent force or joins the permanent force before the 31st of March next, he is to get his gratuity on the 31st of March, which is the cut-off date for gratuities. It will be inadvisable to pay it before that date because it would simply mean another payment on that date. That is the 31st of March next. Then we have the second case of a man who perhaps now comes into the interim force and would come under this proposed section 4; that is, he is not to get his gratuity till he returns to civilian status. But while in the interim force he decides to join the permanent force. When he makes the decision to join the permanent force and is accepted for service with the permanent force he gets his gratuity right then and does not have to wait any longer.

Mr. GREEN: If the man joins the permanent force to-morrow, why should he have to wait until 31st of March to get his gratuity?

Colonel LAWSON: That is the cut-off date. Otherwise you would have to pay part of the gratuity now and the rest on the 31st of March next.

Mr. Mutch: Then if he joins the permanent forces to-morrow he continues to earn his gratuity until 31st of March if his service is continuous.

Mr. GREEN: No, he does not.

Colonel LAWSON: Yes. He continues to earn his gratuity until that date; and that is why that date was picked. That is the cut-off date.

Mr. GREEN: He gets the gratuity up until the 31st of March next year?

Colonel LAWSON: Yes.

The CHAIRMAN: Is that satisfactory?

Some Hon. MEMBERS: Carried.

Mr. PEARKES: What about the man who joins the interim force and does not join the permanent forces? The man who joins the interim force will have to wait until he is demobilized before he gets his gratuity.

Mr. MUTCH: No. There is discretion in (4).

The CHAIRMAN: Unless the minister otherwise directs.

Mr. MUTCH: The minister has power to give it to him.

Mr. FULTON: May we have 4 again?

Colonel LAWSON: This is the proposed paragraph 4: "Unless the minister otherwise directs a member who is serving with the naval, military or air forces other than the permanent naval or military forces or the regular force, on the 31st of March, 1946, shall not be paid his gratuity or granted his credit until he resumes his civilian status."

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Is that satisfactory?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: May we consider the whole of section 13 carried?

Some Hon. MEMBERS: Carried.

Mr. WRIGHT: Is there any change in respect of men who are going overseas or who have been sent overseas since 30th of August?

The CHAIRMAN: That will come up under the other section.

Mr. WRIGHT: I see.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

Section agreed to.

The CHAIRMAN: There is a new section 17 which has been distributed, which reads as follows:

PROPOSED AMENDMENT TO DRAFT BILL FOR AN ACT TO AMEND THE WAR SERVICE GRANTS ACT, 1944

Section 17 is deleted and the following substituted therefor:

17. (1) Subject to subsection two of this section, a person who, subsequent to the tenth day of September, one thousand nine hundred and thirty-nine, served on active service in any of the naval, military or air forces of His Majesty other than those raised in Canada, and at the time he joined the said force was domiciled in Canada, shall be entitled to be paid a gratuity and granted a credit equal to the gratuity or credit that might have been paid or granted to him under this Act had such service been service in the forces, if he makes application therefor

- (a) within one year after the date of his discharge from the forces of His Majesty other than those raised in Canada; or
- (b) within one year after the date of his discharge from the forces if he joined the forces after his discharge from the forces of His Majesty other than those raised in Canada; or

(c) before the first day of January, one thousand nine hundred and forty-seven,

if at the time of his application he is domiciled and resident in Canada.

(2) There shall be deducted from the gratuity or credit authorized by subsection one of this section the amount of any pecuniary benefit, of the same nature as a gratuity or credit authorized to be paid or granted to members of the forces under this Act, that the person has received or is entitled to receive in respect of his service from any government other than that of Canada.

(3) The provisions of section 4 of this Act shall apply to and in respect of any such person as if such person had been a member of the forces at the time of his death or discharge from the forces of His Majesty other than those raised in Canada.

(4) No application for gratuity payable pursuant to subsection three of this section shall be acted upon unless such application has been received by the Minister within one year from the death of the person with respect to whom such gratuity would otherwise be payable or before the first of January one thousand nine hundred and forty-seven.

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Colonel Firth, would you come to the front so that you may be heard, and would you give your full name and your position at present.

Lieutenant Colonel L. M. FIRTH: My name is L. M. Firth, director of estates, navy, army and air force of Canada on active service.

Mr. Chairman, I am appearing here somewhat belatedly but I only came back from overseas last night after six weeks, and these deliberations have been taking place during my absence. Looking at it this morning, there is a section there that was not workable and I thought I should point out to you the reason why. The amendment which is before you, dated the 5th of November, 1945, contains in clause 3, that is, 17 (3)—excuse me, gentlemen, I had not seen this before. Subsection (3) of section 17 provides that;

“The provisions of section 4 of this Act shall apply to and in respect of any such persons as if such person had been a member of the forces at the time of his death or discharge from the forces of His Majesty other than those raised in Canada.” That brings in the old amendment to section 4 (a), I presume.

Mr. GUNN: Yes.

Colonel FIRTH: It reads:

Where no person qualifies to receive payment of the gratuity or any unpaid balance thereof under this section in respect of a deceased member, the gratuity or the unpaid balance thereof shall form part of and be comprised in the deceased member's 'service estate' as that expression is defined in subsection two of section seven of the Department of National Defence Act as enacted by chapter nine of the statutes of 1940.

Dealing with this in the Canadian services, service estate may be administered only in certain ways as laid down by the regulations, and my regulations provide what shall be done with the service estate; and what shall be done with the service estate of a Canadian can in no sense be made to apply to the gratuity money that may be payable to that person's dependents or those who are drawing assigned pay; and in the absence of either, the provision simply means that the money will be paid to me for distribution. But the only way I can distribute that is in the manner I am allowed to do so, which is provided for under section 13 of my regulations, which is P.C. 1065 of the 19th March, 1940. Section 13 provides that:—

The director of estates shall administer the service estates of deceased members and

(a) Where, in a will of a deceased member, an executor has been named and such nominee has been appointed executor by the court of competent jurisdiction, or where an administrator or administrator with will annexed has been appointed by the court of competent jurisdiction, the director of estates may cause to be delivered over to such executor or administrator for distribution, the net assets of the said service estate in his possession.

That is where a will is probated or letters patent taken out in any of the provinces of Canada, my task is simplified by paying the money over to the administrator or executor who takes it in as part of the estate and distributes it as he will distribute the whole estate. It may comprise lands, stocks and bonds of industrial companies or corporations, things that I do not touch at all. All I am allowed to touch is what the regulations bring under my jurisdiction. That has been recently enlarged and amended by P.C. 6223 of 28th September 1945. The second clause here is where no probate or administration is taken out, and the reason for this is purely and simply to save the cost of probate or administration when the estates are small and do not justify that expense. There are certain surrogate Court fees and there are certain legal costs. The government saves those by dealing with the estate direct. Clause (b) of that section 13 goes on to say:—

Where, in a will of a deceased member, an executor has been named and such nominee has not been appointed executor by the court of competent jurisdiction or where no administrator has been appointed by the court of competent jurisdiction, the director of estates may cause to be distributed the net assets of the said estate in accordance with the law applicable in each case to the distribution of personal estates.

In other words, in accordance with the law of the province of domicile of the deceased.

Mr. SINCLAIR: Does that just make reference to service estates?

Colonel FIRTH: That is all, service estates purely. That is all these regulations deal with.

Mr. BROOKS: That is in the case of a service will?

Colonel FIRTH: In the case of any will; it need not be a service will. It may be one he has made in his civilian life before he entered the service, but it happened to be his last will and testament.

Mr. SINCLAIR: In the case of so many in the armed forces, the only will they have ever made is the will on file at national headquarters. If you would look at that, it is only to administer the service estate. What about the other estate he might have?

Colonel FIRTH: That is the point. There is no other estate to administer.

Mr. MUTCH: There may be.

Mr. SINCLAIR: There may be.

Colonel FIRTH: If there is, I do not administer it or take out probate or administration.

Mr. SINCLAIR: Then you refer it to the person concerned and they take it?

Colonel FIRTH: If there is an executor in a will and he says that there are other assets here—suppose the deceased owned land at 42 so-and-so street in the city of Halifax, for instance,—I say, “We cannot deal with land. You will have to deal with that yourself.”

Mr. SINCLAIR: The average service will has no administrator or executor, as I recall it.

Colonel FIRTH: Oh, no. All three services have a written will form. We provide for that. There is space reserved there for appointment of executor.

Mr. CROLL: They usually appoint the wife or mother.

Colonel FIRTH: They usually appoint the beneficiary named in the will. Where there are no wills at all, and they have no assets other than the service estate and no administration is taken out, then we have to determine who is entitled to the estate; and to do that we have to ascertain the man's domicile and know the laws of the province of domicile and distribute it in accordance with provincial law.

Then there is another paragraph which is not pertinent, in that where we can find no one entitled to the estate it stays with the Receiver General of Canada until such time, etc. Going back to this again, there is considerable research here to find out who is entitled. We get from the records office of the service concerned—of navy, army or air—an extract of death, particulars of the next-of-kin and their addresses and whether or not there is a will. If there is, and it is made in the service, it is due to be filed with the records office and maintained there in safe custody; and with the extract of death comes over the original will, or sometimes two, three, four or five wills made, on various dates in this man's service; and depending upon each one of them, we pick out the valid one, usually the last, and go ahead and act on that. If the executor will not take out probate and there are no other assets to be dealt with—if he tells us that there are no assets, nothing but the service estate, nothing to do—we go ahead and administer it and give it out. Now what you are asking me to do here with these persons who are coming under this amendment and who are members of His Majesty's forces other than Canada, those raised in Canada, is this: you are applying the definition "service estate" and saying that the estates branch should administer and distribute these estates in the same manner as the service estate of the deceased. Our regulations apply only to Canadian personnel. You are extending them beyond this; and yet, the way it reads, I have to know who is entitled because the regulations bound me to give the money or the effects—in this case money only—or to distribute them in accordance with the law applicable in each case to the distribution of personal estates. If this is a Canadian, let us say in the Royal Air Force, he may have a will and he may not. That will will be filed in the air force overseas. I never see it. I have nothing to do with his estate. He has no service estate as far as I am concerned. The air ministry will be in touch with that man's dependents or next-of-kin. The Regimental Debts Act of 1893 under which they act is an imperial statute and applies also to the army and navy. They will distribute these moneys to some person. What I am asking you to do is to change the wording of this. I changed it on the basis of the old one, not this one, but it will apply equally well and can be brought in to have it read in this manner. In the first place I am only getting the money where there is no one entitled to it. If there is any entitlement direct that will be paid right to them through the C.T.O. and through the war service gratuities sections of the three services, but where there is no one to be found, no entitlement as a dependent or assigned pay, then it has to be paid to me. The way it read before was:—

Provided that where no survivor qualifies to receive payment of the gratuity or any unpaid balance thereof under subsection 3 of this section in respect of any such deceased person, the gratuity or unpaid balance thereof shall be paid to the director of estates—

here we come into it—

—and be administered and distributed in the same manner as the service estate is administered and distributed pursuant to subsection 2

of the so-and-so Department of National Defence Act. I cannot do it in that manner. I cannot distribute in the same manner as for a Canadian. I have no facts to go on and it will take an unknown length of time to obtain them.

I suggest to you that the proper wording of that would be along these lines:—

Provided that where no survivor qualifies to receive payment of the gratuity or any unpaid balance thereof under subsection 3 of this section in respect of any such deceased person, the gratuity or unpaid balance thereof shall be paid to the director of estates—

now, here you are—

—for distribution to the person or persons to whom the service estate of the deceased was or will be paid by the government other than that of Canada in respect of his service.

That government determines to whom it is going to be paid. I think I should not be called on to do more than pay what war service gratuity comes to me in the same manner as that government distributed the service estate of that deceased. In other words, the old system is not workable, I submit.

Mr. BROOKS: Your point is the other government should distribute it and not through you?

Colonel FIRTH: No, the other government has already distributed the man's service estate comprising his pay and any small bank balances he has which they have picked up. They have distributed it to somebody. I do not know who that somebody is but I can find out. I have estates offices in London. I can cable them and being on the spot they can find out from the war office or air ministry or admiralty to whom they distributed the service estate of that deceased.

Mr. BROOKS: In that case it is not going to take as much time as you think it is?

Colonel FIRTH: That is very simple but my objection was under the old system you were required to pay in accordance with entitlement as ascertained by me. I do not want that.

Mr. BROOKS: Could you not ascertain in the same way as you suggested a moment ago?

Colonel FIRTH: No, that means I am getting copies of wills. That means I am taking the responsibility of repeating what they have done and of ascertaining whether or not theirs is the last will and testament on file. I do not know that. In other words, we accept that other government's investigation.

Mr. CROLL: What happens in the case of an American who is killed and his wife is in Texas? To whom do you pay the money?

Colonel FIRTH: That is in Canadian service?

Mr. CROLL: Yes. You can deal with that?

Colonel FIRTH: Yes.

The CHAIRMAN: These people must be domiciled in Canada. Before a person gets these benefits he must have been domiciled in Canada at the time he left to join these forces?

Colonel FIRTH: That is right, sir. Under this war service grant amendment it is only payable to a person who is domiciled in Canada.

The CHAIRMAN: Yes, and if he is domiciled in Canada would it not be easier for you to decide who his dependents are than to decide who his dependents are if he comes up from the United States, enlists here and is domiciled in the United States. You say you can do it in the one case quite easily. In the case of a man who never saw Canada before, whose home and dependents are all

in the United States, you say you have no difficulty but where a man is domiciled in Canada at the time he goes into one of these commonwealth forces you claim you have difficulty. I am bound to say I do not follow you.

Colonel FIRTH: With personnel serving in forces of governments other than those raised in Canada we have no documents whatsoever for them in Canada. On Canadian personnel I can get on the phone in five minutes and from the records office of the service I can have full particulars or amplification.

Mr. MUTCH: You would get a lot of money for that system if you can get anything from records in five minutes.

Mr. CROLL: That will require amplification.

The CHAIRMAN: You say there are some cases of intestacy?

Colonel FIRTH: There are thousands.

The CHAIRMAN: Take the case of a man who comes up from Texas and joins the armed forces of Canada. He makes no will and you have got to distribute his estate according to the law of Texas. Is it not just as difficult to distribute that estate in Texas in the case of that man who belongs to the Canadian armed services as it would be for a man who lives in Winnipeg and goes over and joins the R.A.F. in London? In the one case you have got to distribute according to the law of Manitoba and in the other you have to distribute according to the law of Texas. Why is it so much more difficult to distribute according to the law of Manitoba than it is to distribute according to the law of Texas? I am looking for information. I do not understand you. I do not follow your submission.

Colonel FIRTH: In the first place we get a declaration from the next-of-kin of every person in the Canadian services. John Snooks dies. We get evidence he has died; we get the last will or evidence there is no will. The abstract gives us who his next-of-kin is. The next-of-kin is the widow residing in Texas. We send out a form of declaration to that widow immediately. She fills it in, completes it as to whether there is a will or not. If we are not satisfied with that and can find a brother we write someone else. We may have three or four of these declarations out. We have that within ten days.

The CHAIRMAN: Why can you not do that with a person who is domiciled in Canada and enlists in the Empire forces?

Colonel FIRTH: We have not the original information.

The CHAIRMAN: Why can you not get it from the people in these forces who are responsible?

Colonel FIRTH: Do you know how much time that is going to take us?

The CHAIRMAN: I am asking for information.

Colonel FIRTH: It takes a long time. It takes months and months and months to get anything out of the war office, admiralty or air ministry.

Mr. GILLIS: I should like to say that I have listened with a lot of attention to the gentleman's statement. I agree with him 100 per cent. To my mind what he suggests to the committee is very simple. He wants to pass over to the United States, Czecho-Slovakia, or whatever government it might be, the necessary research work to determine who the next-of-kin is or should be? Is that not it?

Colonel FIRTH: They have already done it and have distributed the service estate.

Mr. GILLIS: All you are asking is that all you be obligated to do is to pass along to the next-of-kin determined by that government whatever gratuity and so forth has accrued in this country?

Colonel FIRTH: Exactly, correct.

Mr. GILLIS: There is not anything wrong with it. I think you are 100 per cent right. I do not know why there is an argument.

The CHAIRMAN: Is it not true you are dealing with a person who lives in Canada and you are turning over to a foreign country, we will say—

Mr. SINCLAIR: It would not be a foreign country.

The CHAIRMAN: He has mentioned Czecho-Slovakia.

Mr. SINCLAIR: It can only be the British services. We are not going to pay gratuities to the Czech forces. It is the forces of His Majesty.

The CHAIRMAN: That citation is wrong. We will take New Zealand. We are turning over to another country the payment of moneys in the case of a person domiciled in Canada instead of doing it ourselves?

Colonel FIRTH: No. I am going to make payment to John Snooks' widow in Texas or Manitoba or wherever it is if she was the person who was paid that man's service estate in that country.

Mr. MERRITT: Is that not the present law generally with regard to estates of deceased persons who die in another part of the world?

Colonel FIRTH: No, I pay them direct.

Mr. MERRITT: Is that not the present law, quite apart from re-establishment credits or any of these provisions, that if a man dies in Texas, let us say, and letters probate are taken out in Texas anyone in Canada can pay to that estate?

Colonel FIRTH: I pay to that executor under Texas law. If there is no will I pay to the persons entitled to that man's estate under Texas law. To date we have had 28 or 30 estates in the United States where we have had to do that.

Mr. GREEN: May I ask Colonel Firth a further question? I think the discussion has been about administrative matters, and as he has to administer the Act I suggest we take his recommendation. I should like to ask why there is a time limit for the application? There may be a good reason for that. I see unless the beneficiary applies by the first of January, 1947, then there can be nothing paid. Why was it necessary to do that?

Colonel FIRTH: I know nothing about that. It is not part of my work at all. The application goes into the war service gratuity section.

Mr. GREEN: It is in this amendment which is proposed.

Colonel FIRTH: Yes, but sub-paragraph 3 here puts the distribution of this extra gratuity back under the regulations that deal with Canadians, and the procedure with Canadians in Canadian forces is entirely different to what would apply to Canadian personnel in forces of His Majesty's governments other than Canada.

The CHAIRMAN: At the appropriate time can you not ask for appropriate regulations in regard to these particular estates? What we want as a committee is a suggested amendment that carries out what you want done. Have you got that amendment here to-day?

Colonel FIRTH: Yes, I have, but it was drawn before I ever saw this. I have it right before me, and I will leave a copy with the committee.

Mr. GUNN: May I ask a question?

The CHAIRMAN: Yes.

Mr. GUNN: Your proposed amendment was drawn on the basis of the original mimeographed form submitted to this committee about ten days ago?

Colonel FIRTH: No, it was done on the basis of what I have before me dated the 5th of November, 1945, from departmental counsel.

The CHAIRMAN: Will somebody read what you want to the committee?

Colonel FIRTH: It will read this way, and this may be completed later with perhaps better wording. Shall I read it?

The CHAIRMAN: Please, Colonel Firth.

Colonel FIRTH: Paragraph 3 will remain as it is.

(3) The provisions of section 4 of this Act shall apply to and in respect of any person as if such person had been a member of the forces at the time of his death or discharge from the forces of His Majesty other than those raised in Canada.

Then it will read this way:

Provided that where no person under the said section 4 of this Act qualifies to receive payment of the gratuity or any unpaid balance thereof in respect of any such deceased person the gratuity or unpaid balance thereof shall be paid to the director of estates for distribution to the person or persons to whom the service estate of the deceased was or will be paid by the government other than that of Canada in respect of his service.

Mr. GUNN: That facilitates administration.

The CHAIRMAN: This amendment to section 17 has just been distributed to the committee by Mr. Gunn. Is what you submit to the committee on behalf of the department subject to this amendment made by Colonel Firth?

Mr. GUNN: Yes, Mr. Chairman. I welcome the amendment for the reason that I am sure it will facilitate administration.

The CHAIRMAN: Is it the pleasure of the committee to carry this section?

Mr. GREEN: Which is it going to be?

The CHAIRMAN: I am sorry this should have happened. I thought we would be ready this morning with an amendment mimeographed but apparently Colonel Firth has just come back from overseas and had not had a chance to give the benefit of his experience to the department. So I hope you will pardon us in this particular respect. The way it will read now it will mean that in cases where the estate comes into the hands of the administrator, in the case of a person who is domiciled in Canada and has served in the forces of another commonwealth nation, that he will discharge his duty if he turns over the money he gets to the person who, by the law of this commonwealth country, would administer the service estate. That is the effect of it.

Mr. SINCLAIR: I have no objection to that. We have already had the case in Canada where a man dies and, having no next-of-kin, the money goes to the Receiver General. That same thing might be true of a Canadian in the British forces. Money from Canada would be paid over there and would in the end go to the Crown of England.

Colonel FIRTH: No, no, you do not need to worry about that.

Mr. SINCLAIR: In the case of the R.A.F. are you not asking that the British administer the payment of this gratuity?

Mr. FULTON: As I understand the effect of the amendment suggested by Colonel Firth is it not that you pay the money to the person to whom the British government decides the service estate goes? It is not a case of the British government paying it. You still pay it to the person to whom they decide it shall be paid?

Colonel FIRTH: That is right. If there is any escheat at all it will go to the government of Canada in the right of the dominion.

Mr. GREEN: This sheet we have got is 17(1), 17(2), 17(3) and 17(4). Are those still standing?

The CHAIRMAN: Yes. All of section 17 as just distributed stands with the exception of this proposed amendment to subsection 3. Did any one get down the proposed amendment to subsection 3? Would you repeat it, Colonel Firth, to make sure?

Colonel FIRTH: After subsection 3, which stands as presently printed, the following words will go in:—

Provided that where no person qualifies to receive payment of the gratuity or any unpaid balance thereof under this section in respect of any such deceased person, the gratuity or the unpaid balance thereof shall be paid to the director of estates for distribution to the person or persons to whom the service estate of the deceased was or will be paid by the government other than that of Canada in respect of his service.

The CHAIRMAN: In other words, you take the scheme of distribution of the country which is administering a certain estate?

Colonel FIRTH: Of the government which is paying these things. They have said, we have ascertained that so-and-so is entitled to that amount; he served in our forces. I am saying, I will do the same thing; but it is their point of determining, it is not mine.

The CHAIRMAN: You accept their scheme of distribution?

Colonel FIRTH: Yes.

The CHAIRMAN: Just along the point raised by Mr. Sinclair—I do not want to prolong the argument—what if you do accept that scheme of distribution; naturally the money will be paid to the Crown; would you not be bound to turn it over to the Crown of that country?

Mr. CROLL: It amounts to this, if there is a scheme of distribution he accepts it; if there is no scheme of distribution he keeps it.

The CHAIRMAN: It is a schème of distribution.

Mr. CROLL: It is escheated.

The CHAIRMAN: Yes.

Colonel FIRTH: There is no payment.

The CHAIRMAN: Is the section as amended satisfactory to the committee?

Mr. BENTLEY: May I ask a question, Mr. Chairman? I have been trying to for quite a while. I am not a lawyer. As someone says, there are too many lawyers. I do not know if that is right or not. I would like someone to screen out for me so I can understand it in a simple way what is meant by all these "forces". There are so many forces in that I get all involved.

The CHAIRMAN: I am sorry, Mr. Bentley; I do not get what you mean.

Mr. BENTLEY: I would like to be informed in simple language what section (b) involves. It is sometimes hard to hold a thing of this kind in one's mind.

Mr. MUTCH:: Put it in English, you mean.

Mr. GUNN: Mr. Chairman, perhaps the difficulty arises from the use of the word "force" there without any definition of the kind of "force". And now, that is necessary for the reason that "force" in the second line of (b) means by the wording of the statute, "forces raised in Canada for His Majesty", raised in Canada; in other words, Canadian forces; so that the member here must make his application within one year after the date of his discharge from the forces.

Mr. BENTLEY: That is from the Canadian forces?

Mr. GUNN: From the Canadian forces; if he joins these foreign forces, discharge from forces of His Majesty other than Canadian.

Mr. SINCLAIR: Why not change the second line there to read, "paid Canadian forces"?

Mr. CRUICKSHANK: Will someone tell me why it was necessary to put in "1947" there?

Mr. GUNN: There had to be some time limit on the application period and it was thought by the department that this was a reasonable period; that, of

course, is for the committee to say. But while I am on my feet I may say that the same remarks are applicable in connection with subsection (4) of section 17, the time limit there is arbitrary and fixed.

Mr. CRUICKSHANK: Mr. Chairman, apparently the solicitor has no reason at all for "1947". We considered that before—I think it was in the committee of 1930 or 1935—when we started in to change the whole Pension Act. I object strenuously to "1947" in the thing at all. The last bugler or trumpeter (in connection with the South African war) died, I think it was, last year. Why have a cut-off date at all? Don't put in any time limit at all.

Mr. PROBE: Actually, Mr. Chairman, as I see it, these dates in (a) and (b) to section (1) of this subsection are inconsistent with the date of the War Service Gratuities Act generally, because we have provided a period of ten years in which the member could receive the benefits of the various re-establishment portions of the Act. In the case of a man who has enlisted in the British forces, he may take considerably longer than January 1st, 1947, to return to Canada, and he has to be in Canada in order to put in his application. Therefore I believe Mr. Cruickshank's point is well taken and we should delete subsection 17 (1), (a), (b) and (c) and section (4) entirely, because we are going to have to settle this again in future years.

Mr. BROOKS: I agree with Mr. Cruickshank and the gentleman who has just spoken (Mr. Probe). These men are entitled to this gratuity, and why there should be a time limit placed on it I cannot see. I think that it should be deleted.

Mr. GUNN: Without entering into the argument at all, may I point out—I have no right to enter any argument—may I point out as counsel—

Mr. BENTLEY: A little louder, please.

Mr. GUNN: May I point out as counsel that this time limitation was first found in the original Act and I think that is what prompted the department in deciding that this was an appropriate time limit. It has been suggested to me now that it involves—

Some Hon. MEMBERS: Speak louder, please; we cannot hear you.

Mr. GUNN: I was saying, it has been suggested to me now that it involves the matter of coming back and resuming domicile and that has to be accomplished within some stipulated period. It is a difficult matter to determine domicile while a person is not stationary, shall I say?

Mr. PROBE: That makes it more difficult. The man who has been in Britain a number of years may have a business or other commitments there which may take him much longer than January 1st, 1947 to clear up so that he can return to Canada even if it is his intention so to return.

Mr. GUNN: It is just possible that it would take longer than one year but, as I said before, parliament has already decided that one year may be the proper time. This committee can—

Mr. CRUICKSHANK: May I say one word more on that? Why re-open the Act for something we can do without. The general term is ten years. As I understand it that is the time limit which is to apply. Why replace it in this case with 1947? Take the ten year basis.

Mr. GUNN: It is a matter of domicile.

The CHAIRMAN: Persons entitled to the gratuity under the Act even if they come say from Texas and join. Now then, I can see that there is a limit of ten years, in regard to the re-establishment credit in the other Act and it seems to me that if we would put that, within ten years, it would then bring it within the terms of the application for the re-establishment credit. I do not think we should go any longer than ten years.

Mr. MUTCH: He has no interest in after ten years.

The CHAIRMAN: No.

Mr. MUTCH: If he has not applied within ten years, there is nothing there.

The CHAIRMAN: How about if we put it that if he applies therefor within ten years.

Mr. GREEN: Does not the ten year provision apply to these men anyway?

The CHAIRMAN: So far as credit is concerned.

Mr. GREEN: There is no question about that at all, he can get the re-establishment credit within ten years.

The CHAIRMAN: Make the same thing apply to the gratuity.

Mr. GREEN: Why should that apply to the gratuity when it does not apply to the Canadian who enlisted in the Canadian forces? Remember, this is only applicable to a man who was domiciled in Canada before he enlisted. Why should there be any time limit put in connection with a man who under normal conditions might happen to have joined the R.C.A.F?

Mr. MUTCH: I am asking just for information. Is the purpose of this not to put some time limit on a man who was domiciled in Canada prior to the war resuming his domicile here? Is that the point of putting a limit in at all?

Mr. GUNN: I do not know what the original idea was, but it would seem to me that it wound up with the necessity of bringing these people back to our country as early as possible.

The CHAIRMAN: There is another thing, gentlemen, which you should bear in mind. We provided that a person discharged for misconduct may apply for a gratuity. And now then, there should be some time limit in which he must apply because he might wait 30 years and then apply when we had no longer this board in operation and when witnesses were not available any longer.

Mr. SINCLAIR: We have not provided that at all; we have provided that in cases of discharges for misconduct they would be automatically referred to the board.

The CHAIRMAN: But he must apply.

Mr. MUTCH: Making the application is part of the routine of his discharge procedure.

The CHAIRMAN: He applies. Counsel and the services told us that they have him sign his application as a matter of routine; but he must apply, I think, the way the Act is worded.

Mr. WOODS: It would be impossible, otherwise; they could not possibly pay the gratuity out, unless the man applies, because the men are moving from place to place and they do not know where he is, and so forth. He would have to send in the application himself.

Mr. CRUICKSHANK: Is it not obvious that he should apply? As a matter of fact, he applies automatically when he gets his discharge.

Mr. PROBE: In the Canadian forces he is handed a form which he completes when he comes up for discharge from the army; therefore, it is a definite obligation for him to apply at that time. At the time he is discharged from the British service, he is likely not given this same application form and he is perhaps quite ignorant of his rights; and for that reason it seems to me that even though he may have to apply to be considered, yet that time limit is going to work an injustice and I predict that we are going to have to open it up anyway; so why not leave it that he can receive his benefits in the same way as the Canadian, within a ten-year period following his discharge?

The CHAIRMAN: That is what I suggested.

Mr. PROBE: That will save a lot of administrative detail. Why not make it as simple as possible?

The CHAIRMAN: I suggested ten years.

Mr. CRUICKSHANK: That is all we wanted.

The CHAIRMAN: Then, we will insert—

Mr. GUNN: You will have to strike out—

Mr. PROBE: Strike out (a), (b), (c) and (4); and then you may have to re-word (3) as well when you strike out the others.

The CHAIRMAN: If you strike out (a), (b) and (c) he gets his gratuity if he applies for it 50 years later.

Mr. GREEN: And the men who served in the Canadian forces can do that also.

Mr. MUTCH: There are some in the Canadian forces discharged in Canada before it became part of the routine practice of discharge to make him fill out an application form who have not applied yet, and God knows when they will apply. They have what means up to 30 years from now to apply. A Canadian discharged in Canada is entitled to it.

Mr. QUELCH: Has notice been sent out to them?

Mr. MUTCH: Yes. We were told by witnesses here that they sent out letters, they sent out notices by radio, by the press and in every possible way. As I recall the figures there are something like 1,100 who so far have not applied for their benefits. That number may not be exactly right, but I know it is a considerable number anyway.

The CHAIRMAN: I think it is quite true, and if by chance there was anybody who had not applied within the period we set who came along and said he had earned this gratuity, this cut-off date would not prevent him from getting it. Although there might be considerable argument over it, the gratuity would probably be paid. That being so, why not cut it out altogether and be done with it? That would mean that they would have to apply for their re-establishment credit within ten years, and they could also apply for their gratuity at any time within that period.

Mr. MUTCH: That is it.

The CHAIRMAN: Then it would read like this:—

If a man makes application therefor and if at the time of the application he is domiciled and resident in Canada.

Mr. GREEN: There is one mistake—paid gratuity or granted credit; or the credit equal to the gratuity or credit. I think that should be equal to gratuity and credit.

Mr. MUTCH: No, no; it would be credit; otherwise he would be getting double ration.

The CHAIRMAN: I do not know why "or credit" is in there at all.

Mr. GUNN: I think it is right as it stands, Mr. Chairman; we use the expression "gratuity and credit"; and then use it again, "gratuity or credit", referring back to the gratuity in one case and credit in the other case.

Mr. GREEN: One or the other?

Mr. BROOKS: He is granted credit equal to the gratuity; gratuity and credit would be double.

Mr. GUNN: May I say this, Mr. Chairman, that this simply means that this particular man, or member, would be entitled to the gratuity or credit which he would have been entitled to had he been a member of our forces.

Mr. GREEN: Why don't you say that instead of putting in, "or be paid gratuity or credit which might have been paid or granted to him"?

The CHAIRMAN: Granted credit which might have been paid or granted to him—strike out, "equal to gratuity or credit". That would be all right.

Mr GUNN: No.

The CHAIRMAN: "that might have been paid or granted to him under this Act had such service been served in the forces"; that seems to cover it; striking out "equal to the gratuity or credit".

Mr. MUTCH: Which makes it the same thing.

Mr. QUELCH: You strike out (4) as well, do you?

Mr. GREEN: What about (4)?

Mr. GUNN: I still think it should read this way, Mr. Chairman: he should be entitled to be paid gratuity and granted credit equal to that which he might have been paid or granted—

The CHAIRMAN: Yes, that makes it very clear.

Mr. MUTCH: "shall be entitled to be paid the gratuity or credit"—that is the same thing.

The CHAIRMAN:—"equal to those which might"—And now then, subsection (4) is struck out altogether.

Mr. SINCLAIR: Yes.

The CHAIRMAN: Has the clerk got it? We are carrying section 17 as amended in this way: That we strike out "equal to gratuity or credit"; and put in, "equal to those which might have been paid or granted to him under this Act"; and then we add "and" after "therefor", and strike out (a), (b) and (c), and then we strike out—we add the proposed amendment to subsection (3) and strike out subsection (4). Is it the pleasure of the committee to approve that?

Mr. PROBE: There would appear to be one slight error there yet in subsection (3), the first five words there will have to be compatible with the next section there, section (4).

The CHAIRMAN: Section (4) is deleted.

Mr. PROBE: Oh, pardon me.

The CHAIRMAN: Shall the section as amended carry?

Section as amended agreed to.

The CHAIRMAN: And now then, with the exception of the question as to when the gratuity shall be cut off there are these proposed amendments, sections 22, 23 and 24, which have been distributed to members of the committee, and which put into the Act the penalties which were formerly in the regulations. I will just read them:—

Section 22.

If any member uses a credit for any purpose not authorized under this Act or the regulations made thereunder, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding two months or to both such fine and such imprisonment.

Shall the section as amended carry?

Section as amended agreed to.

The CHAIRMAN: Now, section 23:—

23. Any person who

- (a) knowingly assists any member in using or attempting to use a credit for any purpose not authorized under this Act or the regulations made thereunder; or
- (b) counsels or abets any member in the use or the attempted use of a credit for any purpose not authorized under this Act or the regulations made thereunder; or

(c) knowingly makes any statement or gives any information which is false in any material particular for the purpose of having made available any credit to him or on his behalf;

shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding three months or both such fine and such imprisonment.

Some Hon. MEMBERS: Carried.

Section agreed to.

The CHAIRMAN: And section 24:

"Notwithstanding any law to the contrary, any complain or information with respect to any violation of the provisions of this Act may be made or laid within one year from the time when the matter of complaint or information arose."

Some Hon. MEMBERS: Carried.

Mr. GREEN: Why have you got two months in one place and three in the other?

The CHAIRMAN: Because I take it that they are trying to make it worse for a man who tries to lead a veteran astray than for the veteran himself. I think that is the idea.

Some Hon. MEMBERS: Hear, hear.

Mr. MUTCH: In 22 it says "if any member uses a credit." Who is a member?

The CHAIRMAN: That is defined, is it not?

Mr. GUNN: Member of the forces.

Mr. MUTCH: Member of the forces?

Mr. WOODS: Yes. That is defined.

Section agreed to.

The CHAIRMAN: Before you leave, we are coming to a most important part of this Act, the cut-off date. Here is the amendment that has been handed to me:—

"Service" means time served on full time service in the forces to the thirty-first day of March, one thousand nine hundred and forty-six

(i) while enlisted or obligated to serve without territorial limitation; or

(ii) in the Aleutian Islands, the United Kingdom or the European or the Mediterranean operational theatres; or

(iii) While proceeding from Canada to any of the places mentioned in clause (ii) of this paragraph or returning from any of the said places to Canada;

provided that in respect of a member who was on overseas service on the thirty-first day of August, one thousand nine hundred and forty-five "service" shall include all time served if carried continuously on the strength of a unit serving overseas since that date.

In other words, that means that if a man came home on leave and went back again, I take it, he would lose the gratuity; and if he happened to be sent over after the 31st of August, although he may have been in the army and enlisted two years before, he would also lose the gratuity after the 31st of March, 1946. The committee should give some attention to what we are actually doing here. We are saying that gratuities shall stop in all cases except in this restricted field of the person who is overseas on the 31st of August and is carried continuously on the strength of a unit serving overseas since that date.

Mr. MUTCH: In the case of a man on leave, it would not actually apply. If a man was on leave from a unit in England and it is necessary for him to return, he would be carried on the strength there. The case of a man on leave is protected, I am quite sure. Is that not right?

Colonel LAWSON: Yes.

Mr. GREEN: Why is it necessary to change the definition of "service" that we have already passed? "Service" means time served on active service in the forces. Then it goes on to set out the three different types of service. Why is it necessary to change that this year at any rate? It may be necessary six months from now to have some change, but I suggest there is no need to change it now.

The CHAIRMAN: Well, there is the question, which I must admit worries me, as to what will happen if you keep a man who enlisted on service, we will say, against his will—he would like to get back into civil life—and send him away over on the northwest staging route, we will say, for two years. I grant if he goes into the permanent forces he elects, and the thing should be cut off. But there is the question which worries me. There is the suggestion that a man who has volunteered and has gone in the army, does not want to join the interim forces, does not want to join the permanent forces—

Mr. MUTCH: Wants to go home.

The CHAIRMAN: Yes, wants to go home and get a chance to be re-established, and you send him off to the northwest staging route for another year, we will say. The question arises as to whether he is not entitled to some consideration the same as the man that you keep over in Europe out of civil re-establishment.

Mr. CRUIKSHANK: Could we get a copy of that, Mr. Chairman? I entirely disagree with you. Are we going to get a copy of this before we are asked to vote on it?

Mr. QUELCH: I think we might as well leave this over.

The CHAIRMAN: I think the committee should express an opinion on it. Then we will try to actually draft an amendment in accordance with that expressed opinion.

Mr. CRUIKSHANK: Why not give us a copy of something to express an opinion on? I may be wrong, but as I understand it I am asked to express an opinion here on something that I have not seen. I am like Mr. Green. I think service has been settled and I am asked to express an opinion contrary to what we have already passed without having seen anything.

The CHAIRMAN: If it is the wish of the committee to carry this amendment that I have read out, that ends it.

Some Hon. MEMBERS: No.

The CHAIRMAN: Then the suggestion is that the committee discuss it and then in the light of the discussion the expressed will of the committee, it will be laid before the cabinet and an amendment will be brought back on Monday.

Mr. GREEN: You did not explain, or the departmental officials did not explain why it is necessary to change the section as we passed it. I think that the section as we passed it covers the case of your man, because he is enlisted or obligated to serve without territorial limitation, so he would continue to get the gratuity. I think that is perfectly right. Why is it necessary to bring in some limitation or some cut-off date?

Mr. QUELCH: Under the definition as passed now in the Act, the gratuity will be paid up to March 31, 1946, is it not?

Mr. SINCLAIR: For those overseas.

The CHAIRMAN: Mr. Green, as originally carried, "service" meant time actually served on active service in the forces without any limitation whatever. Now we have to change that to import into it the limitation that when they go into the permanent forces the time in which their credit is being earned terminates. We have to make that amendment because the committee agreed that once a man goes into the permanent forces his earning of gratuity ceases. As originally passed, as I read it, he would continue to earn the gratuity indefinitely if he went into the permanent force.

Mr. GUNN: No. That is not right.

Mr. GREEN: No.

The CHAIRMAN: While he is enlisted or obligated to serve without territorial limitation.

Mr. GREEN: No. That depends on what active service is. Surely it could be covered in the enlistment of these men into the permanent forces. Nobody is contending that the gratuity should continue to anybody who joins the permanent forces in the future. I think this section, as it stands, is perfectly all right.

The CHAIRMAN: The suggested amendment is an attempt to cut the gratuity and re-establishment credit off on the 31st of March next year except in the case of the fellows that are overseas and continue to serve overseas after that date. That is the purpose.

Mr. QUELCH: Provided they went over before August 31st.

The CHAIRMAN: Yes, quite.

Mr. QUELCH: There again, why August 31st? Suppose a man enlisted for active service in this country, we will say, in 1942 and was anxious to go overseas, but was not sent over until September 1st. Why cut him off? I think he is just as much entitled to it as the man who went over on the 25th of August.

The CHAIRMAN: I do not see any reason in the world to cut him off. That is why I am asking the committee to discuss it.

Mr. GREEN: The reason there is this confusion is that the future army policy is comprised in this date of March 31st. By March 31st the army and the other forces are to announce what the terms of service are to be. It has not a single thing to do with the Department of Veterans Affairs or with this Act; but because of that statement which is indefinite,—it is not even certain that they will announce it by March 31st,—because of that army policy, we are asked to put in a limitation in this Act. I submit it is up to the army to make their own arrangements about this March 31st business and not clutter up our Act by asking us to put in that.

Mr. SINCLAIR: That March 31st is also the date on which they hope to have all the soldiers home, except the occupation forces.

Mr. GREEN: Well, they may not. Why should not men up on the northwest staging route get the gratuity?

Mr. SINCLAIR: I am not against you. That was the explanation of March 31st.

Mr. FULTON: I am afraid I am confused, Mr. Chairman. I got the impression from something that was said yesterday that the gratuities were cut off on August 31st this year for those serving in Canada and continued to March 31st for those overseas. Will somebody clear that up for me?

The CHAIRMAN: I will try to explain that again. Under the section as we passed it, "service" meant time served on active service in the forces, and while enlisted or obligated to serve without territorial limitation and so on. That meant that while a person was on active service and entitled to serve or obligated

to serve without territorial limitation, he got his gratuity indefinitely. This amendment states that there should be some cut-off date for the time that he is earning this gratuity and re-establishment credit. So the suggestion is that it be discontinued as of the 31st of March of next year except in the case of a person who is overseas before the 31st of August this year, on continuous service, where he will continue to earn his gratuity until he comes back, as I understand the proposed amendment. Now the question arises, and in the committee it is a matter of decision, whether there should be a cut-off date at all or whether when a person is serving on active service he should get the gratuity until the army discharges him or until he elects to go into the permanent force which takes him out of the category and whether that should apply in Canada as well as overseas. That is a very difficult question on which I think it would be good to have the opinion of this committee.

Mr. GREEN: Mr. Chairman, to bring it to a head, I would move that the section stand as we passed it some weeks ago.

Mr. CRUICKSHANK: I second that.

Mr. BROOKS: Frankly, I do not see what the difference is between a man on the northwest staging route and the man overseas. What I mean is that there is no fighting going on now. The men in England are just as comfortable, and more so, than the men away up north. The same men have to come back later on and be re-established in this country. So I do not see why there should be any distinction made at all between a man in England at the present time and a man in Canada anywhere. I agree with Mr. Green here.

The CHAIRMAN: Perhaps we should hear from the deputy minister.

Mr. WOODS: Mr. Chairman, I am just wondering if it is necessary to terminate active service in this measure. This Act provides that certain gratuities shall be paid to certain people while on active service. Surely the army is competent to determine, either by proclamation or by Act of parliament, when active service conditions cease. Thereafter no gratuities would be paid. This gives us the authority to pay gratuities to people on active service. Is it not for the service authorities, through the Governor in Council, by Act of Parliament or by proclamation, to determine when active service conditions cease?

Mr. CRUICKSHANK: May I ask a question in that connection? It has already been said, as I understand it—I stand to be corrected—that in the case of a badly wounded man who may be in hospital for two or three years, there is an automatic date, March, 1946, is it not, that he is cut off. They have set the date then. Why leave the other authorities to do otherwise? Here is a man who may have had his back broken, lying in the hospital. He has to take a lesser amount of pension. That has automatically been set. Then why change it? I do not think it is consistent. Frankly, I think your argument is not consistent that the authorities should be allowed to do that, when they have automatically said to us now, as I said, that in the case of a poor, unfortunate man who is badly wounded, who may be in the hospital for two or three years, his period of gratuity automatically stops I think it is in March, 1946.

Mr. QUELCH: The 31st of March.

The CHAIRMAN: Would you deal with that, Mr. Woods?

Mr. WOODS: Many of our patients in hospital, and particularly mental patients, are going to be hospital cases for their lifetime. When their service is terminated, as soon as reasonable afterwards, pension is adjudicated and they will draw full pension and their dependents will draw full pension. It is not suggested that gratuity in addition to that should be paid for the balance of their lives. Active service conditions must terminate sometime.

Mr. CRUICKSHANK: Well, Mr. Chairman and Mr. Woods, I apparently do not understand the meaning of that gratuity to start with. I thought it was a reward for services rendered. If a man unfortunately, for the sake of argument, has had his back broken and must lie in a hospital until 1948, his gratuity will not go on or will not date to 1948. It dates to March 31st, 1946. If we are to follow your argument there with these other services, I cannot see the reason why a man lying in a hospital, who has been wounded in the line of battle and had his back broken, should not have his gratuity date to March 31st, 1948, not 1946. I do not think the two are consistent at all.

The CHAIRMAN: The point is this, Mr. Cruickshank. If a man is discharged from the army and is getting treatment in a veterans' affairs hospital, there is an attempt to put him on the same basis as if he were kept in the service and treated in the service. Of course there naturally will be an attempt made to provide that the man should be treated as well as a man who is kept in.

Mr. WOODS: That is right.

The CHAIRMAN: Under the suggestion made by Mr. Woods, that the service is to determine when the war is over and that the service terminates on a certain date, it is natural there would be an attempt to treat them all the same.

Mr. CRUICKSHANK: Am I not correct in assuming that a man who is discharged—through no fault of his own but through his injury—on March 31st, 1948, is going to have a more difficult task in re-establishing himself than a man discharged in 1945 or 1946? If you say that the war is over then if it is over for the poor beggar in the hospital, surely it is over for some ginks who have been having a cushy time over there like Howard Green and I, in spite of the fact that he says he was not in the army of occupation in the last war. It is not consistent. If that man was discharged in 1948 he deserves more re-establishment credit than the man, as I see it, discharged in 1946.

Mr. GILLIS: Mr. Chairman, I do not agree with my friend Mr. Cruickshank.

Mr. SINCLAIR: Nor do I.

Mr. GILLIS: Because when a man is discharged from the service and is taking treatment in a veterans' hospital, then the obligation of re-establishing him rests with the Canadian Pension Commission.

Mr. SINCLAIR: Hear, hear.

Mr. GILLIS: We will have an opportunity to provide, I hope, adequate re-establishment for that classification when we get to the Pension Act. But I certainly do not agree with any cut-off date for service personnel who may be retained in the service by orders of military establishments—I do not care whether they are in Canada now or overseas—where the military authorities, air force, army or navy, say that his particular person has to stay in the service until such time as we determine his service is over. Then when he comes out of the service he has to come back under much more difficult circumstances than the ones that are coming back now because the jobs are filled, the training schools are filled and he has got quite a problem to re-establish himself.

Mr. CRUICKSHANK: What about a man in the hospital?

Mr. GILLIS: A man in the hospital, as I said before, is provided for under the Pension Act.

Mr. CRUICKSHANK: Oh, no.

Mr. GILLIS: Oh, yes; but the fellow coming out of the service is not provided for except by way of gratuity, and I think that that man is entitled to gratuity for every day he serves at the command of the military authorities. I suggest that we should wipe out or cut off the date completely.

Mr. BENTLEY: Have we the assurance that all of those in hospitals are going to be taken care of under the Pension Act?

Mr. Woods: Subject to the terms of the Pension Act.

Mr. SINCLAIR: I agree with Mr. Gillis and I disagree with Mr. Cruickshank. There is one point about what Mr. Woods said when he talked about military service being terminated only after his service ends. That is quite true as far as actual combat or fighting is concerned, but it is not true as far as we in this Veterans Affairs Committee are concerned because this is the citizen soldier and he is the only person we are thinking of and we are not thinking of the permanent soldier whose duty it is to serve. We are thinking of the citizen soldier whose service ends and he is ready for the time he can go back to civilian occupation. I think that is the point. So long as it is necessary to hold a volunteer in the service against his will I think we have an obligation to him. Whether it is on overseas rates or home rates, that is neither here nor there. I say that we cannot accept the armed services definition of the cessation of active service as far as the actual citizen soldier, who is held in the services after that date, is concerned.

Mr. Woods: This would not necessarily be an army definition; it would be a government pronouncement as to when active service ends. I suggest in reply to Mr. Sinclair that a pronouncement might provide that active service terminates in the case of so and so at such and such a date. With respect to those who volunteer or are held in the service against their will such a proclamation might provide for the termination of their service.

Mr. SINCLAIR: My point is that instead of waiting for a government pronouncement which may or may not be that way, we, here in this Act, have the right to say that as far as the citizen soldier is concerned his active service expires when he gets out of the service, he wants to come out of the service.

The CHAIRMAN: It has been moved that we leave service as defined and originally passed without any limitation of time, and that the soldiers get the gratuity, as far as we are concerned, while they are on active service: "While enlisted or obligated to serve without territorial limitation," and that we stand by the original Act as passed.

Now, that is the motion, that we do not introduce this element of limitation in it.

Mr. SINCLAIR: As far as the permanent forces are concerned. . .

The CHAIRMAN: I may say that it does not apply to the permanent force anyway.

Mr. QUELCH: Is it understood that after a certain time the permanent force will take the place of the army of occupation?

The CHAIRMAN: I do not know.

Mr. QUELCH: Just how long will the army of occupation continue? There must be some general idea.

The CHAIRMAN: If we leave it the way it is today—the way we originally carried it—a person who is in the permanent force—the question is when would his gratuity cease to be earned?

Colonel LAWSON: His gratuity would cease to be earned when the force went off active service—at the same time as anybody else.

The CHAIRMAN: Does anyone wish to speak to this motion moved by Mr. Green to the effect that we do not reconsider clause I(s)?

Shall the title carry?

Carried.

Shall I report the draft bill as amended?

Carried.

Now, I am happy to say that we have concluded our consideration of this bill, and I want to extend a word of thanks to members of the committee for

their co-operation and help. I say that most sincerely. I thank the members for the assiduity with which they have attended these meetings.

Now we have to consider the report which we will present to the House.

(Discussion followed off the record).

The CHAIRMAN: We had hoped to get on with the Veterans' Land Act today, but we will start on that on Monday morning.

Mr. SINCLAIR: Mr. Chairman, I had a report to present to the committee today.

The CHAIRMAN: Oh, yes, we will hear that now.

Mr. SINCLAIR:

The subcommittee of Messrs. Cruickshank, Fulton, Probe, Quelch and Sinclair, appointed by the Veterans Affairs Committee on November 1st, 1945, to study the question of a recommendation to the House relating to the reconsideration of the regulations covering discharges for misconduct from the armed services, submit the following report:

Whereas the bill, as now drafted, provides that every case where a member of the armed services has been discharged for misconduct shall be referred to the board of review, constituted under section 12 of the bill, and that the said board shall consider the case from the point of view of the worth of the member's service to his country;

And whereas the board, where it feels that the worth of the member's service outweighs the seriousness of his misconduct, has power to order the payment of his gratuity, and the board in making this decision will have before it all the facts of the case;

Therefore, your subcommittee feels that it should logically follow that, as the worth of the member's service has been decided to be the predominating factor, no further disability in the way of obtaining employment and rehabilitation should follow on account of any entry on the discharge sheet, and so RECOMMENDS—That in all cases where the board of review has made an order granting gratuities, the discharge sheets shall be automatically referred back to the service concerned for amendment of the cause of discharge to read: 'Free to take up civilian occupation'.

Respectfully submitted,

(Sgd.) JAMES SINCLAIR, M.P.
Chairman, Subcommittee.

November 8, 1945.

This subject of misconduct naturally breaks down into two classes: those that the board of review have discussed and have decided should be granted gratuities and those that the board have discussed and have decided should not be granted gratuities. We have dealt here with the first class; and in referring them back to the services we have, of course, quite a number of cases of discharge which could have been put on the discharge sheet. Actually, it means that the armed services, to a certain extent, must back water. We felt that a board of review viewing matters entirely from a serviceman's point of view as far as rehabilitation and re-establishment are concerned, would be much more charitable than the armed services viewing cases only from the point of view of discipline as far as concerns men discharged for misconduct.

With regard to the second class, those whom the board of review decided should not be granted gratuities, we felt that no further action could be taken in their cases, for if these were referred back to the armed services and they

should give them an honourable discharge, which would be highly improbable, then these men would be automatically entitled to the gratuities that the board of review has already decided not to grant.

This was the unanimous feeling of the subcommittee to cover the cases we felt worthy of reconsideration.

The CHAIRMAN: This report will appear in our report and as soon as the members have a chance of studying it, I will ask Mr. Sinclair to bring this matter up, and we will try to base a report to parliament on it. Is that satisfactory to the committee?

We will adjourn until Monday morning at 11 o'clock.

The committee adjourned to meet at 11 o'clock a.m., Monday, November 12.

APPENDIX "A"

P.C. 6223

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, the 28th day of September, 1945.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas the Minister of National Defence, the Minister of National Defence for Naval Services and the Minister of National Defence for Air report as follows:—

An Estates Branch of the Department of National Defence was established, effective 1st April, 1940, under the direction of an Administrator of Estates, (now known as the Director of Estates) for the administration of the service estates of deceased members of the Naval, Military and Air Forces of Canada on Active Service in the present war.

By Order in Council P.C. 1065, dated 19th March, 1940, "Regulations for the Administration and Distribution of Naval, Military and Air Force Estates, 1940" were made and established.

Order in Council P.C. 7249, dated 11th December, 1940, amends the said Regulations and provides for the payment to the Receiver General of Canada of any sums of money not exceeding \$600 at the credit of a deceased member in any bank or other financial institution, and for the distribution thereof with the service estate of any such deceased member, the bank or institution being relieved from further liability and saved harmless in respect of any such balance upon the payment thereof to the Receiver General of Canada.

Order in Council P.C. 4738, dated 10th June, 1943, and Order in Council P.C. 5930, dated 28th July, 1943, amend the said Order in Council P.C. 7249, dated 11th December, 1940, and the said Regulations and authorize the payment to the Receiver General of Canada of balances not in excess of \$1,000. In the case of a member overseas, where the amount of such balance exceeds \$1,000 but does not exceed \$2,000 like action may be taken upon the direction in writing of the person or persons legally entitled to a deceased member's estate.

In the light of experience gained in the administration of estates of deceased members, and after discussion with and in some instances at the suggestion of the financial and other institutions involved, and in the interests of the persons entitled to the said estates, it is considered advisable to enlarge the scope of the aforementioned provisions to cover all such balances up to \$2,000 situate within Canada and \$5,000 situate beyond Canada, irrespective of where the deceased member may have been serving and to bring within the purview of the Regulations small amounts due to the deceased member on insurance policies, moneys and securities in joint accounts, shares in estates, government annuities, credits and accounts maintained by civilian organizations, and the like.

All types of the above-mentioned assets are not necessarily found in each estate which is distributed, but one or more often forms part of a deceased member's estate. The average amount of the 18,963 service estates distributed as of 31st May, 1945, exclusive of War Service Gratuity, was \$221.04.

His Majesty's Treasury has indicated that it will permit withdrawal of bank balances in the United Kingdom and Northern Ireland of deceased members up to the sum of \$5,000.

The said Regulations now limit distribution by the Director of Estates of the share of an infant in the estate of a deceased member to cases where such shares do not exceed \$300, provided that the amount distributed in any year may not exceed \$100. It is recommended that the foregoing restriction be removed and the amount of annual distribution be increased to \$300, payment to be made to an adult or a recognized child welfare or protection agency for the benefit of the infant beneficiary.

No provision has been made for the payment of interest on the amount of the undistributed shares of infant beneficiaries remaining in the hands of the Receiver General of Canada, and it is considered desirable that such provision be made.

There is some doubt as to the power of the Director of Estates to distribute the service estates of members who, for official purposes, are presumed to have died and it is recommended that the said Regulations be amended so that the Director of Estates may distribute such estates.

It is desired to widen the scope of the said Regulations to include estates of deceased members who die outside of Canada, but who are members of units or formations under the direct control of National Defence Headquarters.

Now, therefore, His Excellency the Governor in Council, on the recommendation of the Minister of National Defence, the Minister of National Defence for Naval Services and the Minister of National Defence for Air, and under the authority of the War Measures Act is pleased to amend the said "Regulations for the administration of Naval, Military and Air Force Estates, 1940" as amended, and they are hereby further amended to give effect to the foregoing, as follows:—

1. The words "Administrator of Estates" wherever they appear in the said Regulations are deleted and the words "Director of Estates" are substituted therefor.

2. Paragraph 1 of the said regulations is amended by adding the following clause thereto:—

(f) "Deceased member" includes any member who has been officially reported as dead or presumed dead in accordance with the appropriate Service Regulations from time to time in force.

3. The following paragraph is inserted immediately after paragraph 10 of the said Regulations:—

"10A. When death occurs while serving outside of Canada with a force directly controlled by a Naval, Military or Air Force Headquarters in Canada, the service estate shall, notwithstanding anything in paragraphs seven to ten inclusive of these regulations, be dealt with in accordance with such regulations and instructions as may be made or issued by the Director of Estates with reference thereto."

4. Subparagraphs (d) and (e) of paragraph 13 of the said regulations are revoked.

5. The following paragraphs are inserted immediately after paragraph 13 of the said Regulations:—

"13A. (1) Where, prior to the death of a deceased member,

(a) he had money on deposit in a bank, post office or other financial institution,

- (b) a person was indebted to the deceased member or held money in trust for him,
- (c) a person had in his custody or control moneys of the deceased member, or
- (d) the deceased member was entitled to an undistributed interest in an estate,

the Director of Estates may direct that the amount to which the deceased was so entitled be paid to the Receiver General of Canada.

(2) Where an amount referred to in subparagraph one of this paragraph is payable outside Canada it may be received for transmission to the Receiver General by such Officer or Officers of the Naval, Military or Air Forces as may be thereunto authorized in writing by the Director of Estates.

(3) Where the deceased member was entitled to an amount jointly with another person or persons, subparagraphs one and two of this paragraph are applicable thereto if the other person or persons make a request in writing that the Director of Estates distribute the amount with the service estate of the deceased member.

(4) Where a bank, financial institution or other person has in his or its custody or control a Victory Loan bond or war savings certificate belonging to a deceased member, the Director of Estates may receive the bond or certificate and either sell or present it for redemption, and cause the proceeds to be paid to the Receiver General of Canada, or, upon the written request of the person legally entitled upon distribution of the estate, cause the bond or certificate to be registered in such person's name and delivered to him.

(5) Where a bank, financial institution or other person has in his or its custody or control a Victory Loan bond or a war savings certificate that belonged to a deceased member and some other person or persons jointly or in which a deceased member has a limited or partial interest only, the Director of Estates may, if the other persons interested therein request the Director of Estates in writing to distribute the bond or certificate with the service estate of the deceased member, receive the bond or certificate and either sell or present it for redemption or, at the request in writing of the person legally entitled upon distribution of the estate, cause the bond or certificate to be registered in such person's name and delivered to him.

(6) Where an amount not exceeding fifteen hundred dollars is payable under a life insurance policy to the estate of a deceased member, the Director of Estates may direct that the amount payable under the policy be paid to the Receiver General of Canada.

(7) Where an amount is payable to the legal representatives of a deceased member under the provisions of a Dominion Government Annuity Contract, the amount so payable may, on the direction of the Director of Estates, be transferred to the credit of the Director of Estates.

(8) This paragraph is not applicable in respect of the estate of a deceased member where,

- (a) the aggregate of the amounts that would otherwise be payable under this paragraph in Canada and the value of the bonds or certificates situate in Canada exceeds two thousand dollars; or
- (b) the aggregate of the amounts that would otherwise be payable under this paragraph outside Canada and the value of the bonds or certificates situate outside Canada exceeds five thousand dollars.

(9) All amounts paid to the Receiver General under this paragraph or credited to the Director of Estates shall be distributed with the service estate of the deceased member.

(10) Where an amount is paid or a bond or certificate is delivered pursuant to this paragraph, a receipt therefor and an acquittance in respect of the obligation may be given by the Director of Estates or by any person thereunto authorized by him and a receipt or acquittance given under this paragraph shall be deemed to have the same effect as though given by the duly authorized legal representatives of the deceased member.

(11) The Director of Estates may, on behalf of His Majesty, agree to indemnify any bank, financial institution or other person who makes a payment or delivers a bond or certificate under this paragraph against any liability to make the payment or any part thereof to any other person or to deliver the bond or certificate to any other person or against liability to pay succession duty in respect of the amount so paid or the bond or certificate.

13B. (1) Where an infant, being a person under the age of twenty-one years, is entitled to all or part of the estate of a deceased member being administered under these regulations, the Director of Estates may pay out of the money payable to the infant not more than three hundred dollars in any year for the maintenance, welfare or education of the infant to a responsible adult or a child welfare or protection society recognized by or under the laws of a province.

(2) Where an infant, being a person under the age of twenty-one years, is entitled to all or part of the estate of a deceased member being administered under these regulations there may, on distribution thereof, be paid thereon, out of the War Appropriation, when some person is authorized to receive payment, interest at the rate of three per centum per annum in respect of the time it remains in the Consolidated Revenue Fund after the end of the first year after the death."

A. D. P. HEENEY,
Clerk of the Privy Council.

P.C. 5930

AT THE GOVERNMENT HOUSE AT OTTAWA

WEDNESDAY, the 28th day of July, 1943.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas by Order-in-Council dated 19 March 1940, P.C.1065, regulations entitled "Regulations for the Administration and Distribution of Naval, Military and Air Force Estates, 1940," were made and established;

And Whereas by Order-in-Council dated 11 December 1940, P.C. 7249, the said Regulations were amended so as to authorize the Administrator of Estates to have paid to the Receiver General of Canada any balance of money not exceeding in all \$600.00 at the credit of a deceased member of the Forces in any Bank or other financial institution and to distribute any such balance with the Service estate of any such deceased;

And Whereas Order-in-Council dated 10 June 1943, P.C. 4738, further amends the said Regulations to permit the Administrator of Estates to deal with any balance of money not exceeding in all \$1,000.00 at the credit of a

deceased member of the Forces in any Bank or other financial institution, and in the case of a deceased member of the Forces Overseas the Administrator of Estates may take such action where the balance exceeds \$1,000.00 but does not exceed \$2,000.00 upon receipt of a direction in writing from the person or persons legally entitled to the deceased members's estate;

And Whereas Order-in-Council dated 11 December 1940 P.C. 7249, further provides that the Banks and other financial institutions holding balances of money at the credit of deceased members of the Forces must pay such balances at the request of the Administrator of Estates to the Receiver General of Canada providing such balances do not in respect of any one deceased member exceed in all \$600.00;

And Whereas the Minister of National Defence reports that it is now considered that provision should be made for the payment of balances not in excess of \$1,000.00 in the case of members of the Forces serving in Canada and \$2,000.00 in the case of members of the Forces serving beyond Canada;

And Whereas Order-in-Council dated 10 June, 1943, P.C. 4738, provides that where balances are physically situated Overseas the Captain Commanding Canadian Ships (C.C.C.S.) with respect to Canadian Naval personnel may, on behalf of the Administrator of Estates, effect payment into the Receiver General of Canada's account;

And Whereas the Minister further reports that the title "Captain Commanding Canadian Ships" has now been abolished and the title "Senior Canadian Naval Officer, London" (S.C.N.O. London) has been substituted therefor, and that in addition, and due to the exigencies which may arise it is expedient and desirable that the Administrator of Estates should be empowered to authorize officers holding other appointments to effect on his behalf the payment into the account of the Receiver General of Canada of all said Bank or Post Office savings account balances;

Therefore His Excellency the Governor General in Council, on the recommendation of the Minister of National Defence, concurred in by the Minister of National Defence for Air, the Minister of National Defence for Naval Services, and pursuant to the provisions of the War Measures Act, Revised Statutes of Canada, 1927, Chapter 206, and notwithstanding the provisions of any other Statute, Order or Regulation, is pleased to order that, effective November 1st, 1942

- (a) Order-in-Council dated 11 December, 1940, P.C. 7249, be and it is hereby amended by deleting the comma after the word "member" and the words and figures "exceed in all \$600.00" where they appear in the ultimate line of paragraph 1 thereof substituting therefor the following words and figures—"who was serving in Canada exceed in all \$1,000.00 and in respect to any one deceased member who was serving beyond Canada exceed in all \$2,000.00".
- (b) Order-in-Council dated 10 June, 1943, P.C. 4738, be and it is hereby amended by revoking Sub-paragraph (d), the operative portion thereof, and substituting therefor the following, "(d) Where it is ascertained that a deceased member has a balance of money at his credit in any Bank and/or Post Office and/or other Financial institution, the Administrator of Estates may cause the amounts thereof, not exceeding in all \$1,000.00, to be paid to the Receiver General of Canada and may distribute same with the Service estate of such deceased. In the case of a member Overseas where the amount of such balance exceeds \$1,000.00 but does not exceed \$2,000.00, the Administrator may take like action upon receipt of a direction in writing therefor duly executed by the person or persons legally entitled to a deceased member's estate. Where such balances are physically situate Overseas, the Senior Canadian Naval

Officer, London (S.C.N.O. London) with respect to Canadian Naval personnel, the Canadian Chief Paymaster Overseas with respect to Canadian Military personnel, and the R.C.A.F. Officer i/c Estates with respect to R.C.A.F. personnel, or such other officer or officers as may be authorized in writing by the Administrator of Estates, may, on behalf of the Administrator of Estates, effect such payment into the Receiver General of Canada's account. The Bank, Post Office or other financial institution is relieved from further liability and saved harmless in respect of any such balance upon the payment thereof to the Receiver General of Canada."

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

The Honourable
the Minister of National Defence

P.C. 4738

AT THE GOVERNMENT HOUSE AT OTTAWA

THURSDAY, the 10th day of June, 1943.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas by Order in Council dated 19th March, 1940, P.C. 1065, 'Regulations for the Administration and Distribution of Naval, Military and Air Force Estates 1940' were made;

And whereas the administration of such estates is carried out under the direction of the Administrator of Estates, Department of National Defence;

And whereas by Order in Council dated 11th December, 1940, P.C. 7249, the said regulations were amended so as to allow the Administrator of Estates to have paid to the Receiver General of Canada any balance of money, not exceeding in all \$600.00, at the credit of a deceased member of the Forces in any bank or other financial institution and to distribute any such balance with the Service estate of such deceased;

And whereas the bank or other financial institution is relieved from liability and saved harmless in respect of the payment of such balance;

And whereas the Associate Minister of National Defence reports that the Administrator of Estates has so dealt with many such balances in Canada and Newfoundland and has also dealt with many such balances Overseas, through his representatives and with the co-operation of the banks and other financial institutions there;

That balances in excess of \$600.00 are now being encountered in large numbers and numerous requests have been made by those legally entitled to the deceased's estate that trouble and expense be saved them by allowing the Administrator of Estates to withdraw and similarly distribute such larger balances;

And whereas Order in Council, dated 1st December, 1942, P.C. 10959, known as the Foreign Forces (Administration of Estates) Order 1942 authorizes an Officer Commanding a Foreign Force in Canada to take possession and have custody of a balance in a bank in Canada of a deceased member of that Force up to \$1,000.00;

And whereas the Minister further reports that it is considered that the Administrator of Estates should be given authority to deal with any balance of money not exceeding in all \$1,000.00 at the credit of a deceased member of the forces in any bank or other financial institution provided that in the

case of a deceased member of the Forces Overseas where the amount of such balance exceeds \$1,000.00 but does not exceed \$2,000.00 the Administrator may take like action upon receipt of a direction in writing therefor duly executed by the person or persons legally entitled to a deceased member's estate.

Therefore, His Excellency the Governor General in Council, on the recommendation of the Associate Minister of National Defence, concurred in by the Minister of National Defence for Air and the Minister of National Defence for Naval Services, is pleased to amend the Regulations for the Administration and Distribution of Naval, Military and Air Force Estates, 1940, and they are hereby further amended by deleting subparagraph (d) of paragraph 13 thereof and substituting the following therefor, effective November 1, 1942,—

- (d) Where it is ascertained that a deceased member has a balance of money at his credit in any bank, and/or post office and/or other financial institution, the Administrator of Estates may cause the amounts therefor, not exceeding in all \$1,000.00, to be paid to the Receiver General of Canada and may distribute same with the Service estate of such deceased. In the case of a member Overseas where the amount of such balance exceeds \$1,000.00 but does not exceed \$2,000.00 the Administrator may take like action upon receipt of a direction in writing therefor duly executed by the person or persons legally entitled to a deceased member's estate. Where such balances are physically situate Overseas the Captain Commanding Canadian Ships (C.C.C.S.) with respect to Canadian Naval personnel, the Canadian Chief Paymaster Overseas with respect to Canadian Military personnel and the R.C.A.F. Officer i/c Estates with respect to R.C.A.F. personnel may on behalf of the Administrator of Estates effect such payment into Receiver General of Canada account. The bank, post office or other financial institution is relieved from further liability and saved harmless in respect of any such balance upon the payment thereof to the Receiver General of Canada.

(sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

The Honourable,
The Minister of National Defence for Naval Services.

All portions concerning bank balances of deceased personnel of the Naval, Military and Air Forces of Canada on Active Service of P.C. 7249

AT THE GOVERNMENT HOUSE AT OTTAWA

WEDNESDAY, the 11th day of December, 1940.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas, the Associate Minister of National Defence reports:—

That an Estates Branch of the Department of National Defence was established, effective 1st April 1940 under the direction of an Administrator of Estates, for the administration of the service estates of deceased members of the Naval, Military and Air Forces of Canada on Active in the present War;

That by Order-in-Council of 19th March, 1940, (P.C. 1065) Regulations entitled "Regulations for the Administration and Distribution of Naval, Military and Air Force Estates, 1940" were made, effective said 1st April 1940;

That said Regulations have not provided for the collection of small bank balances of deceased members and the distribution thereof with their service estates by the Estates Branch;

That in respect to the pay and allowances of an officer of the Forces of Canada serving Overseas, the total amount thereof, converted into sterling, is, by the Treasury Officer (Overseas), deposited monthly to the credit of his account in the bank or other approved financial institution (herein after referred to as bank), designated by the Officer, and it is frequently found that at his death there is a small balance at credit therein;

That small accounts at credit of all ranks in the Forces are also found at their death in banks in Canada as well as Overseas;

That it is not unusual that the amount of such balance is so small as not to justify the persons entitled to the estate of the deceased making the expenditure necessary to obtain administration thereof;

That it is a great convenience to such persons entitled and a great saving to them of the proportionately large expense of obtaining probate of the last Will of the deceased, or administration of the estate where there is an intestacy, to have the amounts of such balances paid by the banks to the credit of the Receiver-General of Canada and distributed with the service estate by the Estates Branch;

That numerous requests have been made for the Department to adopt such practice;

That during the War 1914-1918 such practice was found beneficial and was authorized by Orders-in-Council of 11th June 1917 (P.C. 1595) in respect to officers only, and 3rd June 1918 (P.C. 1311) in respect to all ranks, for balances not exceeding in all \$400.00, and the bank concerned relieved from further liability and saved harmless in respect of the amount thereof;

That during the present War the banks concerned have expressed their willingness, on condition of the Government of Canada giving the same relief from liability, to transfer such balances of deceased members to the credit of the Receiver-General to the intent that such balances be paid out by the Receiver-General to such beneficiaries as the Administrator of Estates shall determine are, according to law, entitled thereto;

That the rates of pay and allowances in force in the present War are considerably higher than those in the War 1914-1918 and accordingly it would not be inappropriate to increase said \$400.00—amount to \$600.00;

That it is desirable that such small bank balances should be dealt with accordingly;

.....

Therefore, His Excellency the Governor General in Council, on the recommendation of the Associate Minister of National Defence, and under and by virtue of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, and notwithstanding the provisions of any other Act, Law or Regulation, is pleased to order and doth hereby order,—

1. That Banks and other financial institutions holding balances of money at the credit of deceased members of the Naval, Military and Air Forces of Canada on Active Service pay such balances at the request of the Administrator of Estates to the Receiver-General of Canada, provided such balances do not, in respect to any one deceased member, exceed in all \$600.00.

2. That the Bank or institution be relieved from further liability and saved harmless in respect of any such balance upon the payment thereof to the Receiver-General of Canada.

.....

His Excellency in Council on the same recommendation, is further pleased to amend the Regulations entitled "Regulations for the Administration and Distribution of Naval, Military and Air Force Estates, 1940", and they are hereby amended by adding to Paragraph 13 thereof, as sub-paragraph....(d), the following,—

- (d) Where it is ascertained that a deceased member has a balance of money at his credit in any Bank or other financial institution, the Administrator of Estates may cause the amount thereof, not exceeding in all \$600.00, to be paid to the Receiver-General of Canada, and may distribute same with the service estate of such deceased.

.....

His Excellency in Council, on the same recommendation and under the aforesaid authority is further pleased to order that this Order shall be published in the *Canada Gazette* and that the provisions thereof shall be deemed to have come into force and operation as of and from the first day of April, 1940.

A. D. P. HEENEY,

Clerk of the Privy Council.

The Honourable
the Minister of National Defence.

ESTATES REGULATIONS

NAVAL GENERAL ORDER 839

AIR FORCE R.O. 218—APPENDIX (1940) AND APPENDIX TO C.A.S.F. ROUTINE
ORDER NO. 450

Regulations for the Administration and Distribution of Naval, Military and Air Force Estates 1940. P.C. 1065 Dated 19/3/40

1. In these Regulations, unless the context otherwise requires:

- (a) "Minister" means the Minister of National Defence.
- (b) "Administrator of Estates" means the Officer of the Department of National Defence appointed to administer the service estates of deceased members of the Naval, Military and Air Forces of Canada on Active Service.
- (c) "Member" means any person serving in the Naval, Military, or Air Forces of Canada on Active Service.
- (d) "Service Estate" in respect of a deceased member means that part of his personal estate which consists of balance of pay and allowances and other emoluments emanating from the Crown, which at date of death are due or otherwise payable, and effects issued by the Crown, which under Regulations he is permitted to retain, and all personal belongings found on the deceased and in camp, quarters or otherwise in the care or custody of the service authorities, including cash on hand and personal articles and effects.
- (e) "Appropriate Paymaster" means:—
 - (1) In respect of a member of the Naval Forces, the Accountant Officer of the ship or establishment, who at the date of such member's death was responsible for the issue of pay to said member.

2. Except as otherwise specifically provided herein, these Regulations shall apply in respect of a member notwithstanding anything to the contrary in the

provisions of Act (other than the War Measures Act). Regulation or order relating to the Forces in which such member was serving at date of death, provided that in respect of a member of the Naval Forces, these Regulations shall only apply to the extent that they are not inconsistent with any law, Regulation or Order relating to the Naval Service, and the provisions of King's Regulations and Admiralty Instructions shall continue to apply to Naval Personnel.

3. The Minister may appoint an Administrator of Estates who shall be a barrister of at least fifteen years' standing and who shall be directly responsible to the Deputy Minister of National Defence. Such Officers, clerks and employees as are necessary for the Administration of the service estates of deceased members may be appointed in the manner authorized by law.

4. On receipt of report of death, the Officer i/c Records—Naval, Military or Air, as the case may be, at National Defence Headquarters shall promptly forward notice thereof to the Administrator of Estates, giving particulars thereof and of the next-of-kin as appearing on the "Particulars of Family" form, together with the deceased member's will on deposit in such Record Office, or if there is no Will so deposited, information as to where such Will is located, if known.

5. On the death of a member, a Committee of Adjustment shall be appointed to:—

- (a) Secure and make an inventory of all personal effects of the deceased, on his person, in camp, quarters or otherwise in the care or custody of the Service Authorities.
- (b) Ascertain the amount of the preferential charges on the Service estates of the deceased.
- (c) Forward all personal effects, wherever located, for custody, to the appropriate officer designated by Article 221 or by Article 831 (as the case may be) of the Financial Regulations and Instructions hereinafter referred to.
- (d) Lodge with the appropriate Paymaster any cash of the deceased on hand, together with the documents and accounts referred to in Article 221 or in Article 831 (as the case may be) of such Financial Regulations and Instructions. Provided that where death occurs at sea and the ship or vessel in which the deceased was being transported either to or from any port in Canada becomes a total loss, no Committee of Adjustment shall be appointed and the provisions of the said Article 221 in respect of such deaths shall apply.

6. Preferential charges on the Service estate of a deceased member are Service debts, and are a first charge or lien against such estate. They are payable by the Administrator of Estates in preference to all other debts and liabilities, in the following order:—

- (a) Quarters.
- (b) Mess, canteen, band and other service accounts.
- (c) Service clothing, appointments and equipment, purchased by a deceased member, not exceeding a sum equal to six months' pay of the deceased and having become due within eighteen months before his death.

7. When death occurs in Canada:—

The provisions of Articles 221 of Financial Regulations and Instructions for the Canadian Active Service Force (Canada) and of Financial Regulations and Instructions for the Royal Canadian Air Force on Active Service (Canada)

shall, except to the extent that such provisions are inconsistent with these Regulations, apply with respect to a deceased member of the Active Militia on Active Service and of the Royal Canadian Air Force Active Service respectively. Wherever in the said Articles the expressions "Officer i/c Estates" and "Estates Branch" occur, there shall for the purposes of these Regulations be substituted therefor the expression "The Administrator of Estates", Department of National Defence.

8. When death occurs in the United Kingdom:—

- (i) The provisions of Articles 831 of Financial Regulations and instructions for the Canadian Active Service Forces (Overseas) and of Financial Regulations and Instructions for the Royal Canadian Air Force on Active Service (Overseas) shall, except to the extent that such provisions are inconsistent with these Regulations, apply with respect to a deceased member of the Active Militia on Active Service and of the Royal Canadian Air Force on Active Service respectively.
- (ii) The personal effects and documents referred to in said Articles 831 shall, pending instructions from the Administrator of Estates as to their disposal, be retained by the Officer i/c Estates, Overseas, in safe custody.

9. When Death occurs Outside Canada or the United Kingdom:—

- (i) The Commanding Officer of the deceased member's unit shall, as soon as possible, appoint an officer who shall act as a Committee of Adjustment to secure all the deceased member's effects and forward same, with an inventory thereof, giving full regimental description of the deceased member, in a sealed package to the Officer i/c Estates, Overseas, who shall retain same in safe custody, pending instructions from the Administrator of Estates.
- (ii) The Officer acting as a Committee of Adjustment shall forward to the appropriate Paymaster a copy of the inventory of effects referred to in Clause (i) of this paragraph together with a statement of such preferential charges as may have come to his notice, Paybook, and the documents and cash referred to in Articles 831 of the Financial Regulations and Instructions (Overseas) mentioned in paragraph 8 of these Regulations. Such Paymaster shall then deal with such inventory, statement, Paybook, Documents and cash in the manner prescribed in the said Articles.
- (iii) The Commanding Officer of any unit, or formation, may, if he considers it desirable or expedient, appoint an officer to act as a standing Committee of Adjustment and may appoint more than one officer to act in such capacity, each of whom shall act as a standing Committee of Adjustment.

10. A Last Pay Certificate for a member dying outside of Canada shall be forwarded as soon as possible, by the Chief Treasury Officer, Overseas, to the Officer i/c Estates, Overseas, who will retain same pending instructions from the Administrator of Estates.

11. In case a doubt or difference arises in relation to any preferential charge, or the payment or disposition of same, the decision of the Minister shall be final and binding on all persons for all purposes.

12. Where the service estate of a member who is discharged from the forces as a mental case and transferred to the Department of Pensions and National Health is taken over by that Department, the Administrator of Estates, save where such Department may otherwise require his co-operation, shall be concerned with such estate only where there are preferential charges against same. Such preferential charges continue to be a first charge or lien against

the service estate of such member and the Administrator of Estates shall be responsible in conjunction with that Department for payment of same.

13. The Administrator of Estates shall administer the service estates of deceased members, and

- (a) Where, in a Will of a deceased member, an executor has been named and such nominee has been appointed executor by the court of competent jurisdiction, or where an administrator, or an Administrator with Will annexed, has been appointed by the Court of Competent jurisdiction, the Administrator of Estates may cause to be delivered over to such executor or administrator for distribution, the assets of the said service estate in his possession.
- (b) Where, in a Will of a deceased member, an executor has been named and such nominee has not been appointed executor by the Court of competent jurisdiction, or where no administrator has been appointed by the Court of competent jurisdiction, the Administrator of Estates may cause to be distributed the net assets of the said estate in accordance with the law applicable in each case to the distribution of personal estates.
- (c) Where, under sub-paragraph (b) hereof, no distribution, or only a partial distribution, of any service estate can be made in accordance with such law, the Administrator of Estates shall convert the net assets, or such balance thereof, into cash and pay the same to the Receiver General of Canada, to be by him deposited in a special Trust Account or Accounts as designated by the Comptroller of the Treasury pending final distribution to the person or persons entitled thereto.
- (d) Where it is ascertained that a deceased member has a balance of money at his credit in any Bank or other financial institution, the Administrator of Estates may cause the amount thereof, not exceeding in all \$1,000, to be paid to the Receiver General of Canada, and may distribute same with the service estate of such deceased.
- (e) Where an infant, being a person under the age of twenty-one years, is entitled to a share, not exceeding \$300, in the estate of a deceased member, the Administrator of Estates may cause such share to be distributed and applied for the benefit of such infant, provided that the amount distributed in any year may not exceed \$100.

14. Notwithstanding anything in these Regulations contained, no person shall have as a matter of right any claim against the service estate, or any part thereof, of a deceased member.

15. In respect of service estates of deceased members distributable, or partly distributable, in or from the United Kingdom, these Regulations shall apply and the powers, duties, and functions thereunder of the Administrator of Estates shall be exercised and performed by the Officer i/c Estates, Overseas, under the direction of the Administrator of Estates.

16. In the exercise of their powers, duties and functions under these Regulations, any Committee of Adjustment, any Paymaster, and the Administrator of Estates, shall, to the exclusion of all authorities and persons whomsoever, have the same rights and powers in respect of the service estate of a deceased member as if they and each of them respectively has taken out legal representation in respect of said estate.

17. Compliance with these Regulations with respect to the Administration of a service estate shall discharge the Minister, the Administrator of Estates, any Paymaster, any Committee of Adjustment or other person complying therewith, from all liability by reason of any assets in his hands having been paid, transmitted, remitted, or otherwise dealt with in accordance therewith.

Canada - Veterans Affairs, Special Committee on, 1945

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 17

Monday, November 12, 1945

WITNESSES:

Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;

Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF PROCEEDINGS

MONDAY, November 12, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Cleaver, Croll, Cruickshank, Emmerson, Gillis, Green, Herridge, Jutras, Marshall, McKay, Merritt, Mutch, Quelch, Tucker, Winkler, Winters, Wright.

In attendance: Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

The Chairman reported that he had received a brief submitted by the Canadian Association of Real Estate Boards. (Printed as Appendix "A").

Mr. Murchison was called, heard and questioned.

Mr. Murchison filed copies of agreements with the provinces of Alberta, Manitoba and Saskatchewan under The Veterans' Land Act, 1942.

On motion of Mr. Cleaver, it was ordered that these agreements be printed as Appendix "B" to this day's minutes of evidence.

Mr. Murchison filed the following statement of applications, etc., under The Veterans' Land Act, 1942, which are printed as appendices to this day's minutes of evidence:

Analysis of Applications for Qualification from inception of operations to October 31, 1945 (*Appendix "C"*);

Summary of Lands Appraised and Purchased as at October 31, 1945 (*Appendix "D"*);

Analysis of Applications for Financial Assistance—Full Time Farming—for the month of October, 1945 (*Appendix "E"*);

Analysis of Applications for Financial Assistance—Small Holdings—for the month of October, 1945 (*Appendix "F"*);

Analysis of Applications for Financial Assistance—Commercial Fishing—for the month of October, 1945 (*Appendix "G"*).

On the suggestion of Mr. Brooks, the witness undertook to furnish the Committee, at its next meeting, with a breakdown by provinces of figures relating to the maritime provinces in the above mentioned statements.

At 1.00 o'clock p.m., the Committee adjourned to meet on Tuesday, November 13, at 10.30 a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

NOVEMBER 12, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Order, gentlemen. I have a brief submitted by the Canadian Association of Real Estate Boards in regard to the Veterans' Land Act. With your permission I will put it in the record.

(Brief appears as Appendix "A".)

Now, gentlemen, in accordance with the decision of this committee, we will commence consideration of the Veterans' Land Act.

Mr. QUELCH: Mr. Chairman, before we start on that, were you not going to consider the recommendation from the subcommittee received at our last meeting?

The CHAIRMAN: My suggestion was, subject to the will of the committee, that we would wait until it appeared in the record so that all the members would have a chance to study it and then take it up as soon as it was deemed advisable so to do.

Mr. CRUICKSHANK: Mr. Chairman, might I ask a question in that connection? Will we have a guarantee that it will come up for consideration? That is particularly important because we know that we are not going to be able to get through all that the committee has before it before the end of the session.

Mr. CROLL: What recommendation is that?

Mr. CRUICKSHANK: The subcommittee on discharges; the one that you were on, and the others.

Mr. CROLL: I have not seen the report.

The CHAIRMAN: It will appear in the printed record of Friday, and my suggestion to the committee was that as soon as it appeared in the record we would set aside a special period for considering it in order to pass our decision on it.

Mr. CRUICKSHANK: Then we can take that as an assurance that we will not have to wait until the end of this committee for it to be considered?

The CHAIRMAN: I assure you that I will bring it before the steering committee.

Mr. CRUICKSHANK: My understanding of the matter was that this being a recommendation of a specially appointed subcommittee of this committee to deal with a matter relating to the other bill that it should now come forward for consideration in this committee. I do not see why the steering committee or anybody else should tell us that it is going to be put off until next January. We want to have it brought up in connection with the bill which just went through.

The CHAIRMAN: I said as soon as it was printed and the committee had a chance of studying it I would then consult the steering committee and they would have some recommendation as to when it would be considered. If that

is not satisfactory, the committee will then have to decide when it should be considered. It seems to me that is reasonable.

Mr. CROLL: That is all right.

The CHAIRMAN: We have with us to-day Mr. Gordon Murchison, who is director under the Soldier Settlement Board Act and the Veterans' Land Act. I thought it would be a good thing for him to make a statement this morning in regard to the proposed amendment and in regard to the administration of the Veterans' Land Act to date to give a basis for our proper consideration of the proposed amendment. And so, with your permission, I will call upon Mr. Murchison to make a statement to the committee.

Mr. GORDON MURCHISON, Director,
Soldier Settlement and Veterans' Land Act, called:

The WITNESS: Mr. Chairman and gentlemen, I would ask your indulgence for a moment or two for a few introductory remarks, because many things have happened since this Veterans' Land Act was reviewed by a parliamentary committee in 1942. I see in the committee to-day certain members who played a very active part in that examination which extended over approximately ten weeks during the summer of 1942. And I think those members who were present on the 1942 committee and also those who are newcomers to this committee will all concede that the administration of this Act is not and cannot be made a simple matter. I would like to say, Mr. Chairman, that in spite of the difficulties we have encountered since the Act was brought into existence in November of 1942, I have found a degree of tolerance and fairness on the part of all members of the House of Commons which has been very helpful to the administration. I would like to say, speaking for myself, that I am deeply conscious not only of the wide administrative powers vested in the director of this Act, but I am also deeply conscious of the heavy responsibilities which go with that power; and I should like to say that that is equally true of all our senior administrative officials.

Now, you have suggested, Mr. Chairman, that I furnish the committee with a general statement of the operations under the Act to date; and I should like, if I may, to deal with the Act and its administration in a rather orderly sequence so that cross-examining or questioning may be delayed until this thing has been completed. I say this because my remarks may contain explanations of certain matters which are of particular interest to some members of the committee, or they may dispose of the factors of which certain other members are not fully aware. So I will start off, Mr. Chairman, with a few remarks as to the scope of the Act.

I do not need to refer to the terms of the original Act. That is already known to every member of this committee. I need only say I think the original scope has been enlarged; first, by the raising of the financial ceiling; and, second, by provision for agreement with the provinces for the use of their provincial land.

And now, as to the increase in the financial ceiling; we started off with an original amount of \$4,800, made up of \$3,600 for land and buildings, and \$1,200 for chattels. These figures were predicated, of course, on the value levels which existed at the outbreak of the war. It was immediately apparent, however, when operations commenced in the spring of 1943, that suitable property for the establishment of veterans could not be acquired under that price ceiling. This situation was immediately brought to the attention of the government with a recommendation that the ceiling for land and equipment be increased to \$4,800 and that the ceiling for chattels remain at the original level of \$1,200; thereby raising the overall ceiling to \$6,000. That, of course, gave us very considerably more scope in the purchase of land and improvements. We found, however, in

the spring of 1945, when we had tested out the cost of new construction, that the overall ceiling of \$4,800 for land and buildings, particularly in relation to small holdings, was not sufficient. That was because the cost of new construction had increased to a point where it was quite impracticable in many parts of Canada for us to acquire land, carry out the installation of necessary services and build new homes up to a minimum standard within the ceiling of \$4,800. We have a few cases where that has been done, but as a general situation it was found \$4,800 was not adequate for this purpose and consequently another recommendation was made to the government seeking authority for the administration to use that \$6,000 maximum ceiling for land and buildings where necessary; but where that was done, of course, it would show a corresponding decrease in the amount otherwise available for chattels.

And now, I am not going to mention any figures at this junction as to what probably has been purchased. I will deal with that a little later on.

We also secured from the government an amendment to section 35 of the Act under which we have been enabled to negotiate agreements with the various provinces for the use of their provincial land. These agreements provide assistance to veterans as farmers, as small holders, for forestry establishments, for commercial fishermen, for trappers and so on, with a grant up to \$2,320; but in most cases with no repayment so far as the department is concerned if the veterans comply with the terms of their agreement with the provinces. Provision has also been made under that amendment to provide for a similar grant of \$2,320 on behalf of an Indian veteran who seeks to be re-established on Indian reserve land. I think as a point of interest should be mentioned here, that according to my best information there are approximately 2,500 treaty Indians who have been members of the active service forces since the outbreak of the war, and it seems logical that these men should be given a reasonable measure of assistance towards their re-establishment on their home reserve. Agreements under that amendment have been completed with the prairie provinces and are now under negotiation with the provinces of Ontario, Quebec and British Columbia. I should be glad, Mr. Chairman, to produce a copy of the formal agreements that have already been entered into and to give them in detail should the committee so desire at the appropriate time.

Mr. WRIGHT: Would it be possible for Mr. Murchison to have those included in the record of this meeting?

Mr. CROLL: He might be able to let us have a typical form of agreement.

Mr. WRIGHT: I doubt if he could do that because they differ with each of the different provinces.

The WITNESS: I should like to mention on that, sir; I doubt if you could find one typical agreement—

Mr. CROLL: Oh!

The WITNESS: —because the terms vary as between the provinces in accordance with the variations in the land disposal policy of each of the several provinces, so that if you put one in you would have to put them all in.

The CHAIRMAN: Could we not have one for each province?

The WITNESS: One for each province, yes.

Mr. BENTLEY: Could we not have them as an appendix to to-day's proceedings?

The CHAIRMAN: May we have a motion to that effect?

Mr. CLEAVER: Yes, I would so move.

Motion agreed to.

(Agreements appear as appendix).

THE WITNESS: It is all summarized in this paper as to the object and scope of the Act.

MR. BROOKS: Before you go on, might I ask about the other provinces? You have mentioned the prairies provinces, British Columbia, Ontario and Quebec; aren't you negotiating any agreements with the three maritime provinces?

THE WITNESS: I have had one discussion with representatives of the Province of New Brunswick but I have not received any formal indication as yet from New Brunswick that they propose to carry negotiations ahead. I have nothing yet from the Province of Nova Scotia, and nothing yet from Prince Edward Island. I think it is quite understandable why there is some delay with Prince Edward Island because that province is not possessed of any important volume of provincial land.

So, under section 9 of the Act, which is the main operative section, there is very wide scope for the establishment of veterans in a number of ways: that is, as farmers, as small holders, or as fishermen; but under the establishment under that section there is an assumption of a duty by the veteran. Under the agreement with the provinces a capital expenditure is by way of a grant and consequently there is no repayment if the veteran complies with the terms and conditions, until he occupies provincial land. And now, as to those who may participate. You will recall that originally the Act applied to any person who had service overseas or a minimum of a year's service in Canada or, regardless of where he served, was in receipt of a pension; provided, of course, he could convince the administration that he was possessed of the other essential qualifications required. Military service or service with the armed forces up to the minimum set out in the Act merely provides for eligibility to make application to participate under the Act.

I might say here that during the course of the war it has developed that eligibility under the Act includes certain classes which may or may not have been contemplated when the original Act was passed. The committee, Mr. Chairman, may have some views on that point or some questions to ask which I shall be glad to answer to the best of my ability. Those who are not eligible to make applications to participate consist of, first, those who used their re-establishment credits available under the War Service Grants Act, personnel who have been dishonourably discharged or personnel with less than one year's service; and that is interpreted to mean in respect of active service pay for a minimum of twelve months. In other words, we follow the definition of "service" there as laid down by the War Service Grants Act and that feature, I may say, has the practical effect of eliminating, I should say, quite a substantial number of home service personnel.

As to our procedure in the issuance of qualification certificates, I do not think I need to go into all the various techniques. I shall confine my remarks to the type of criticism that reaches us and which has, doubtless, been reaching some members of the committee; that is, there has been some criticism of delay in dealing with applications for qualification. I will say to you, quite frankly, Mr. Chairman and gentlemen, that some of that delay has been a bit deliberate on the part of the administration prior to the cessation of hostilities in Europe. I am sure you will all realize that, with an over-all body of approximately 200,000 discharged men in Canada while the war was still going on, the administration was bound to exercise a good deal of caution in proceeding with the qualification of large numbers of men at that stage. There has been some delay also due to our difficulty in obtaining replies from references furnished to us by the applicant himself. Some of the boys are a bit careless in the names they select as references. We not infrequently encounter cases where references are named by a veteran with whom he has very slight acquaintance; and I am glad

to say that, generally speaking, the people of this country who have been named as references by applicants are taking these things very seriously and we are getting very sound information from them.

There has also been delay on the part of the veteran in appearing before an advisory committee. You will understand that when a meeting before an advisory committee has been arranged at a date say a week in advance and a veteran is advised by letter to appear before that committee, if he fails to do so, it throws our arrangements into a good deal of disorder.

We also have cases where veterans fail to bring their better halves along with them when they appear before that committee. So here again there are reasons for delay.

We also are criticized for delay or procrastination in dealing with the type of case where the veteran is home in Canada and is discharged and his wife is still overseas. Probably some of the committee may have some comments to make on that particular aspect of it. But I say quite frankly that we take the position that, in establishing a veteran under this Act, both we and his wife are entitled to see that establishment before a definite contract is entered into. We have boys who are proposing to establish themselves as farmers, to bring their wives out from the Old Country and to settle them under conditions and in atmosphere which is entirely strange to them. We feel, rightly or wrongly, that girl in those circumstances is at least entitled to have something to say about where she is going to settle down for the rest of her life, before that contract is entered into. Those are the main points of delay in dealing with applications for qualification.

On the procedure for establishment of a veteran, I am sure every member here realizes that some time and care must be taken. Time is required in the making of an appraisal report on the land and consideration of that report by the responsible advisory committee set up for that purpose. We are finding—as we expected and which merely repeats the experience of 26 years ago—that quite a number of proposals are advanced to us by veterans for the purchase of property which we simply decline to purchase either because of price, quality or location, or all three. That, of course, is disappointing to the veteran although he has been counselled, both in the service and immediately following his discharge and in the course of his interview with our people in regard to his qualification, to exercise great care in the selection of property he wishes us to buy. Nevertheless, as I say, we are in some districts receiving applications for the purchase of property which, in our judgment, is of such a character that it is not in the interests of the veteran or the interests of the public to purchase it. That consumes time.

We also have delay in legal processes due in very large part to congestion in practically all of the registration offices throughout the country. There has been a tremendous volume of real estate transactions going on for the past three or four years. The offices of many registrars are understaffed. Difficulty is encountered in increasing those staffs. That all adds up to delay in getting title documents through many of these registration offices. As an illustration of this, I might say that we ran a test in the province of Saskatchewan where the Torrens system is in effect providing for the greatest simplicity and ease in land transactions. Even there in Saskatchewan we found that the average time that documents were awaiting registration was 21 days after they were mailed to the registrar.

There is also some tardiness along these lines due to lack of activity by the solicitor representing the vendor. It is a hard thing to explain, but in eastern Canada where we must work through vendors' solicitors, that is a situation which has been giving us some concern. It is not universal, of course. There are local solicitors in many parts of Ontario and other parts of eastern

Canada who are giving us very prompt service. But there are others where that is not true. I do not say that in any spirit of criticism of the local solicitors concerned, because I think it is a fact that the law business generally is pretty good; and with other things to do, and probably with the rather limited fees they are paid, there is a tendency to be a little tardy in handling the vendor's share of the transaction.

Just as an instance of delay along these lines, I had some very strong complaints from a certain part of Ontario not so very long ago, charging the administration with outrageous delay in completing a certain land transaction. On examination it was shown that our solicitors had written repeatedly to the solicitor representing the vendor, who had failed to take any action. In another case we were tied up, in spite of the fact that the solicitor for the vendor had the cheque for the purchase price of the farm in his safe for a matter of two or three weeks and still there was no action. Of course, the administration is blamed for these things. I just mention them here, however, to indicate to the committee that all the blame does not rest on the administration. We do not profess to be word perfect or practice perfect on these things in every case. But I do say that a good deal of the difficulty is not traceable to our administration.

Probably a few remarks, Mr. Chairman, under the heading of our main activities prior to the cessation of the war might be of interest to the committee. Commencing immediately after the Act was brought into force, we were faced with the task of setting up the necessary administrative facilities; and in that connection, of course, we were handicapped by the difficulty in securing adequate and qualified staff. The numbers and types of staff we required, as might be expected, were mainly to be found in the armed services of Canada, and that narrowed down the selections we could make of the staff necessary to carry on the business.

Our next activity, of course, was the purchasing of real property for reserve purposes. I will be very glad to go into these details at the conclusion of my remarks. Third, we had another branch of activity in connection with securing adequate supplies of farm machinery so that when farming operations could commence in some volume, the veterans concerned would have access to new machinery. That made it necessary to enter into agreements with the machinery manufacturing companies of this country to supply quite an amount of farm machinery of the various types so that it would be available as and when the veterans were established.

There was also the program of purchasing lumber during 1944 for the launching of a building program early this year. That in itself was no simple matter because the war was still going ahead. There was reluctance to tying up any substantial quantities of building materials at that stage; but nevertheless the government authorized us to tie up approximately 25,000,000 feet of building material during 1944 so that we would have a reasonable supply of seasoned material for 1945 building operations. That was done by way of instructions to all our administrative officers to proceed immediately with a review of applications of men who had had overseas service and also those cases where, not having had overseas service, they were in receipt of a pension, and to proceed to deal with them with the minimum of delay in order to make a real start in settlement operations.

Our home building program this year, of course, has run into some local difficulties. We have had difficulties in securing adequate skilled labour. We have had some difficulty in getting supplies, but I do want to record with this committee that the wartime controls set up for these purposes have been giving us good service. While there have been temporary delays here and there on scarce materials, our program has not been unduly held up on that

account. Our main difficulty has been in connection with adequate labour. That situation, however, is now rapidly clearing up.

We have also had to make some adjustments in our farm machinery deal in that the program provided for in advance of settlement called for about \$7,000,000 worth of farm machinery. That was predicated on the commencement of quite large scale settlement operations early in 1945 which did not develop, largely for the reason that the war continued a little bit longer than we had estimated. However, we have been able to make suitable adjustments with the farm machinery companies by releasing from time to time the machinery which we did not actually need for our own settlement purposes. We have not made the final settlement yet, but the amount we will ultimately have to pay these companies for machinery we have ordered under that heading will not be very great. In the meantime a good deal of the machinery has been made available to veterans who were not being established under the Veterans' Land Act but who nevertheless needed farm machinery for establishment on their own land, or something of that sort.

As evidence of the increased activities since the end of the war I should like to record with the committee that the number of applications received for qualification for establishment under the Act as of April 30, 1945, were 4,807 for the whole of Canada. Quite a few of those were in the dormant class. We had quite a number of men who contacted the administration, went through the process of qualification, and then more or less abandoned the idea. I think quite a few of them took advantage of their War Service Grants Act benefits in the way of obtaining housing and thereby put themselves outside the benefits of the Veterans' Land Act but, in any event, 4,807 was the number of applications for qualification as of April 30, 1945. As at the first of November they stood at 18,705, so you can see there has been a very rapid increase. That 4,807 accumulated between the end of 1942 and April 1, 1945.

MR. CRUICKSHANK: May I ask one question without interrupting? Is that small holdings?

THE WITNESS: That is all classes; that is for qualification.

MR. WRIGHT: Can you divide those as between small holdings and permanent farming operations?

THE WITNESS: I cannot divide them on that basis at the moment because we find that a veteran may make application originally for a farming establishment and then convert it to a small holding establishment, or vice versa. I am dealing with the overall number of applications for qualification to participate under the Act.

These figures may or may not sound impressive to the committee, that is, 18,705 applications for qualification, approximately 14,000 of which have developed since the 1st of May.

MR. WRIGHT: What percentage of the applications are qualifying?

THE WITNESS: I wonder if that question could be deferred for a moment or two until I take it off a statement I have here before me. I think I can give the answer. These figures do serve as an index of the number of applications we may anticipate from now on, and particularly for the next year or two. For instance, we find this situation in the month of October. The number of applications for qualification received in British Columbia was 440, in Alberta 524, in Saskatchewan 859, in Manitoba 550, in Ontario 1,225, in Quebec 261, and in the maritime provinces 459, for a total of 4,318 applications for qualification in one month. It begins to appear that the area of interest in this Veterans' Land Act is very large, indeed, and on the basis of these monthly

figures which have been increasing steadily since July it appears to us that by the end of 1946 we will have a total of approximately 35,780 applications for qualification under the Veterans' Land Act.

Mr. WINTERS: I wonder if we could have that figure for the maritimes broken down by provinces? Do you know that?

The WITNESS: I could get it for you that way. Just recently anticipating that the committee would be interested in the degree of interest in this Act on the part of veterans I asked our superintendents across Canada to give me an up-to-date estimate for the period ending December 31, 1946, and here are the figures. I will file this for the record so that there is no need to take all these figures down. Under the heading of farming establishments we have a total estimate of 14,276 applications, for small holdings, 20,040, for commercial fishing 1,464 or a total of 35,780 for the Dominion of Canada. Those are estimates submitted by my responsible superintendents across the country as the probable number of applications we will receive under this Act up to the end of 1946. They are based on the present rate of 4,318 for the month of October. Obviously, of course, it is going to be quite out of the question, and I do not think it would be good public business, I do not think it would be possible to carry it through on a sound basis if we were to attempt to establish 35,780 veterans under this Act in Canada in any one year. There are too many physical difficulties ahead. So I have asked our superintendents across Canada to give me an estimate of the number that may be established under the Act by the end of 1946. These are made up of 6,420 as farmers, 10,225 as small holders and 825 as commercial fishermen, for a total of 17,407. That will give you a rather impressive picture of the area of interest in this Veterans' Land Act.

I will table for inclusion in your records the dominion breakdown as to the number of applications received to the end of October for qualification under the Act.

The CHAIRMAN: That will be Appendix "C".

(Statement filed as Appendix "C").

The WITNESS: I have not got the figures typed on the summary of lands appraised and purchased. I have them in draft form. I brought them with me this morning in case I may have to refer to them. I would ask that I be allowed to delay tabling these with the secretary until they have been typed. I can bring them in or send them over this afternoon.

The CHAIRMAN: That will be Appendix "D".

(Statement filed as Appendix "D").

Analysis of applications for financial assistance "Full Time Farming" appears as Appendix E

Analysis of application for financial assistance "Small Holdings" appears as Appendix F

Analysis of applications for financial assistance "Commercial Fishing" appears as Appendix G

The WITNESS: There are a few figures in connection with the purchase of land that I think would be of interest to the committee in a general way because it indicates the rather tremendous job throughout Canada we are faced with in purchasing land which we deem suitable for the purposes of this Act. Up to the end of October we had carried out appraisal of 8,354 properties. Of this number 3,239 have been declined because of low grade, price, or some other reason. 3,874 have been approved for purchase, but of that number only 2,036 had been actually completed as to title documents. You understand that quite frequently there is some delay in clearing up title.

The total acreage purchased runs to 453,140 acres for a total purchase price of \$9,267,640. These average prices may be of interest to members representing

the respective provinces, and they are as follows: The average price we have paid in British Columbia is \$55.54 per acre; in Alberta \$17.44; in Saskatchewan \$14.08; in Manitoba \$19.11; in Ontario \$25.94; in Quebec \$37, and in the maritimes provinces \$27.19.

Mr. CLEAVER: Is this the bare land price only or land and buildings?

The WITNESS: Land and buildings. I do not think I need to dwell at any further length on these statistical figures. I will have them typed this afternoon and sent to you for incorporation in your records because I am sure that all members of the committee will want to give them some study.

Mr. BROOKS: I have a suggestion. I do not wish to object, but every time there is a reference made to the maritime provinces they are always lumped together. Now, there are three maritime provinces and, for example, the price of land in New Brunswick is not always the same as the price of land in Nova Scotia. I think you should recognize the fact that there are three provinces in the maritimes and put them down as such. I am not joking and I am very serious.

Mr. CLEAVER: I think the point is very well taken. In Nova Scotia you have very expensive orchard lands.

Mr. BROOKS: Our land in New Brunswick is of course very much better than in Nova Scotia.

The CHAIRMAN: The chair takes notice of the vehemence with which the insistence on separating the three maritime provinces was made. Nobody will take issue with you, Colonel Brooks, on the fact that there are three provinces in the maritimes.

Mr. ISNOR: Yes, but you will have to prove that to certain sections of Canada.

The CHAIRMAN: You will get that broken down, Mr. Murchison, as soon as possible.

The WITNESS: I think I can get a breakdown in the way suggested which will give you the three maritime provinces. I have not done it that way because the three maritime provinces, up to the present time, have been administered by one main office in Saint John.

Mr. WRIGHT: Could the director give us the asking prices of land to-day compared to what they were in 1943, when you started purchasing.

Mr. CLEAVER: Perhaps Mr. Murchison would prefer to finish his submission first.

Mr. CRUICKSHANK: If I might make a suggestion here, I intend to say a lot about this Act. So let Mr. Murchison finish his statement, as I am going to talk for four days on it myself. Let him finish his statement.

Mr. CROLL: You do not think that we are going to be present while you are doing all that talking.

The CHAIRMAN: I think that is a good suggestion. Let the director finish his statement.

The WITNESS: I could go on at some length quoting from statistics and commenting on them, but I do feel that if I file these statistical returns with the committee, once they get into print, then the members of the committee will be in a better position to review them and to raise any question they wish as to the bearing of such figures on any particular locality. I do not think I have a great deal more to say by way of an opening statement, Mr. Chairman. I am now in the hands of the committee and I shall be very glad to answer any questions put to me as best I can. I realize that there are many problems to be overcome. I realize there are wide differences in conditions as between provinces

and districts. I know that every member of your committee, sir, appreciates that. We have had our difficulties thus far in our administration. We know, ourselves that the future administration of this Act is not going to be a simple thing by any means. I will welcome the criticism of every member of the committee, and I will be very glad to answer any questions or make any explanations to the best of my ability.

By Mr. Cleaver:

Q. If Mr. Cruickshank intends to take four days, I have just a few general questions I would like to go on with now, if I may. But before proceeding with these few general questions, I want to say, at once, that I think Mr. Murchison and his highly efficient staff are to be warmly commended for the painstaking and very efficient manner in which they proceeded with this task assigned to them. Mr. Murchison, first, in regard to the benefits by way of direct grant that accrue to the veterans under the Act, and I refer to the \$1,200 grant with respect to chattels, stock and equipment, and the \$1,120 with respect to the cost of land and buildings, when do each of those grants become irrevocably operative? When does the benefit really accrue to the veteran?—A. The benefit accrues to the veteran the moment that he signs his contract, because that conditional grant does not appear in the settlement agreement.

Q. It does appear in the mortgage?—A. Yes, it does appear in the mortgage.

Q. He pays no interest with respect to the \$1,200 grant on chattels, or with respect to the \$1,120 grant in connection with land and buildings. The only tie which the department keeps with respect to these two features is: that the veteran does not get title until he makes good under his contract?—A. That is right. If he disposes of his property within ten years following the date of his establishment, his settlement must be made with the department on the basis of the cost to the department of his establishment, rather than on the basis of his contract debt.

Q. If the veteran, through change of employment or through some other reason, wants to sell out his holdings, and wants to settle up with the board, is he permitted to pay simply the net amount in full, or must he also pay \$1,200 with respect to the chattels and \$1,120 with respect to the land and buildings?—A. If he removes before he has been in operation for ten years, yes sir.

Q. He must pay the full amount of this mortgage plus the full amount of those grants?—

The CHAIRMAN: That is not correct. It was the cost of establishment.

By Mr. Cleaver:

Q. I understood Mr. Murchison to say that: while the veteran does not sign a mortgage or an undertaking to repay the full \$6,000, and while he is not charged interest on the full \$6,000, yet, if he has, for any reason, to dispose of his holdings within ten years, then the only basis on which he is permitted to do that is to pay the full amount, the full \$6,000, or whatever balance of it there may still be owing?—A. That is right.

Q. Could we have an expression of opinion from you as to why that regulation is there, as to whether it should be there?

Mr. CROLL: Not as to whether it should be there, but that it is there.

By Mr. Cleaver:

Q. I even want Mr. Murchison to go that far?—A. The reason it is there, I think, would be found if you would refer back to the 1942 committee, when it was felt that there would be not only some encouragement to the veteran to stay with us, but there must also be some compensation to the public should he fail to stay with the establishment for a period of at least ten years.

Q. Well then, to clarify my question, may I ask a supplementary one. The veteran is not restricted with respect to his payments to the full lifetime of his contract. For example, if a year after next his earnings are such that he can pay the full amount, you will accept that full amount, will you not?—A. Quite.

Q. Then, the veteran having fully discharged his financial obligations to the board, is there any reason why he should not get title?—A. Well, there is just this reason, sir; take a practical example, where the cost of land and stock and equipment stands at a net of, say, \$5,600 to the directorate but it has been sold to the veteran for a substantially less amount; the original idea of the Act was that he would be able to convert that difference to his benefit only if he remained in occupation of the property for ten years.

Q. I was a member of the committee in 1942 and I have a distinct recollection that, at that time, the point urged on the committee was: that benefits should not accrue to the veteran if he defaulted under his agreement, that is, if he failed to make his payments, and that sort of thing?—A. We have a case or two on record now where the veteran has repaid the total amount outstanding under his contract with the directorate.

Q. Yes. To go back for a moment, take a small holding, a man who just has a house and an acre. Suppose he has paid in full the financial obligation that he undertook to pay, and suppose that as a result of a change of employment—let us say he is moved by his firm, for example, from Hamilton to Vancouver. Is there any reason why he should not get title and to be able to resell his holdings and to buy holdings out in Vancouver?—A. There is nothing to prevent him doing so, but as the Act stands at present he will have to do so on the basis of his cost to the directorate.

Q. Yes, he would have to pay an additional \$2,320 on top of what he was obligated to pay already?

The CHAIRMAN: Not necessarily so; up to the amount of the cost.

By Mr. Cleaver:

Q. I am just asking the maximum figure. The maximum is, of course, \$6,000. But take a small holding, for example, one that cost \$1,000. All right. With respect to that holding I can quite understand how a skilled workman might be moved from Hamilton from some other branch office of the industry in which he was employed. Do you mean to say that if that veteran fulfilled his financial obligations, he would not be permitted to have that grant benefit accrue to him?—A. I do not feel I am competent to answer that question. But I will say this: that we have already encountered a limited number of cases where a veteran changed his mind within the year following his establishment on a small holding. I recall to mind one particular case in southwestern Ontario where the veteran found that the water supply was not just what he expected. His case was adjusted by allowing him to dispose of his property at its cost to the directorate, and that veteran still made a profit not on the basis of its sale price to him, but on the basis of its cost to the directorate.

Q. If, for any reason, a veteran wants to dispose of his holdings within the ten year period and none of those grant benefits accrue to him, is he permitted to enter the scheme again in his new place of residence?—A. No, not as the Act is presently stated.

Q. With regard to small holdings, what is the minimum acreage now permitted under the Act?—A. Half an acre, sir.

Q. If I might enlarge on that slightly?—A. There are a very limited number of cases where we have established a double amputation case on less than half

an acre. I think there is one at Hamilton and one or two close to Toronto where the acreage is rather less than half an acre. But these are very exceptional cases, for which I am quite prepared to take administrative responsibility.

By Mr. Wright:

Q. What is the maximum acreage?—A. There has been no maximum acreage set.

By Mr. Cleaver:

Q. There is really no need for a maximum, because you would just gradually float into the other scheme?—A. I was hopeful that we would never have to reduce the minimum acreage below an acre because it seemed to me that once you get below an acre you are getting very far away from the concept of a farm. But sheer pressure of events practically obliged us to do so in some of the areas closer to the large centres. That situation was brought about largely by the cost of land and the necessity for incurring heavy expenditure for the installation of services which had to be provided.

Q. Now, dealing with the question of installation of services; I could quite readily see where the installation of water service and sewer service might well run into \$5 or \$6 a foot. Have you canvassed the advisability of having these services installed under local improvements acts, as other property holders do, so that the cost of those services would be distributed over the lifetime of the work and not be included in the purchase price of the property?—A. There are two approaches to that question, Mr. Chairman. Thus far we have been able, in our small holding operations, to keep within the over-all maximum of \$6,000. But there may be a few exceptions to that, when the work is completed. Therefore, on the resale of those properties, the dominion government is absorbing twenty-three per cent, or a little better. As to land, it is 23.4 per cent.

Q. That is only up to \$4,800?—A. No. Under the amendment of 1945 we are authorized to use up to \$6,000 for land and buildings.

Q. Although as to these small holdings where the possible maximum is \$6,000, the land grant feature applies up to \$1,120?—A. That is right.

Q. And on this question of local improvements, do you not consider it might be wise—I know Ontario fairly well, particularly the part in which I happen to live—do you not think it might be wise to have the municipality install these improvements and then tax for them over a period of years rather than having them included in the cost in the case of these holdings?—A. I will be quite frank with you, sir; thus far we have endeavoured to accomplish these things within the overall ceiling in the Act.

Mr. CRUICKSHANK: Hear hear.

The WITNESS: And with the express idea of keeping the future taxes down. And now, that is a matter which I think could be discussed from both angles. If we were to have the municipality authorized to provide these services and charge for them over a period of 20 or 30 years in the form of a local improvement tax, you could quite easily find that a large number of veterans in place of having a reasonable annual tax might during the inceptional years of their establishment be faced with an annual amount for taxes that might be embarrassing both to them and to the administration.

By Mr. Cleaver:

Q. You of course realize that most municipalities now can sell their debentures at 3 per cent, so that the interest charges with respect to local improvements would be no greater than the interest charged for work done by the board?—A. Well, we have thus far, Mr. Chairman, endeavoured to keep our development of small holdings pretty well inside our own marquee.

The CHAIRMAN: The answer to that would be that in one case the interest charge would be paid by the soldier while in the other it would be paid by the country.

Mr. CLEAVER: Oh, no; I suggest not, Mr. Chairman. You see, as to this—

The CHAIRMAN: Part of it.

The WITNESS: As to these local improvements that are installed, the owner simply pays for the cost of the improvements plus the debenture interest rate of 3 per cent, whereas if he is buying the property and the board performs these services, then the mortgage is increased by that amount.

The CHAIRMAN: Yes, and if there is part of it cancelled there would be no interest applied on that.

Mr. CLEAVER: You are right, there would be no interest on the part cancelled. In many parts of the country I think Mr. Murchison will find that he cannot build the type of house and provide the land and buildings and supply all these services and come under his \$6,000 ceiling.

The CHAIRMAN: There is just one question before we get too far away from it. In the case you mentioned where a man went in under this small holding provision and secured a loan on his re-establishment credit—then is it correct, Mr. Murchison, when the government gets its money back out of the investment in that property that he would not re-establish his right to the credit at least?

The WITNESS: I do not read the War Service Grants Act in that way, sir; because he cannot realize for his own benefit the difference between the cost to the director and the sale price of the property within a period of less than ten years.

Mr. CLEAVER: That is the part I complained about, Mr. Chairman; and I am quite sure that I am correct, and that the director is correct in his interpretation of the Act.

By Mr. Cleaver:

Q. Now, as to these small holdings, do you permit any purchases inside of urban municipalities?—A. Yes, sir. The origin of that was in the city of Calgary, Alberta. We commenced there early in 1943 looking for suitable acreage on the perimeter of Calgary for the establishment of small holdings. We had some success, but immediately it became known to the mayor and council of Calgary I was approached with a request to consider the acquisition of certain vacant lands within the city boundaries of the city of Calgary for the establishment of small holdings. We had to point out to the mayor of Calgary that one of the reasons why we were going outside of the registered boundaries of the city was to get away from urban tax rates and to confine the operation as far as possible to what was intended under the Land Act. However, in the city of Calgary there were not less than 4,000 acres of prairie land inside the city limits, and it was felt by his worship the mayor that with all that vacant territory inside the boundaries of Calgary it seemed rather nonsensical to be stepping just across the road into a rural municipality to do the same thing that could be done just as well on his side of the road.

Q. I think you used good judgment, if I may say so. As the result of your Calgary experience is it now permissible to purchase land inside any urban municipality in Canada where the local circumstances would indicate it to be advisable?—A. That is right, sir. There is nothing in the Act which prevents the acquisition of land inside the corporate limits of any town or city if the director is of the opinion that the land is suitable for the purpose; and "suitable" includes the rate of taxation. And now, that was one thing which we were very anxious to avoid.

Q. What is the tax rate in Calgary?—A. The contract tax rate on the agreement with Calgary is for a maximum of \$60 a year.

Q. You entered into a special agreement to take care of that?—A. Yes, we entered into a special agreement with them.

Q. Do you suggest that before you contract for land for small holding purchased within the limits of urban municipalities that a definite tax agreement must be entered into?—A. That is right.

Q. \$60 is the maximum?—A. I would not say it is a maximum, it is a figure to use.

Q. Then, in the case of these small holdings, do you rigidly enforce your regulation that the wife must attend the board hearing with the applicant?—A. Oh yes.

Q. Do you think that is wise with respect to small holdings where the applicant is a factory worker? He naturally wants a home close to the factory. Do you think that a man should be held up for want of the 2,000 odd wives who are anxious to come to this country?—A. It all depends on the way you look at it, sir; but we are proceeding on the general assumption that the wife is a party to the whole enterprise, and after all it is not every wife—

Mr. CLEAVER: I quite understand.

The WITNESS: —who wants to settle down in a suburban or rural atmosphere such as is associated with this type of establishment.

Mr. CLEAVER: With Calgary, yes.

Mr. CROLL: Or with any other place.

The WITNESS: Yes, with any place.

By Mr. Cleaver:

Q. I can understand why you would enforce that rule pretty rigidly with respect to rural farming operations, but when you come to the question of a house and land for factory workers I would suggest then you relax it.

Mr. MUTCH: I would like to ask a question.

The CHAIRMAN: Does that rule apply under the regulations?

The WITNESS: The veteran and his wife must appear before the committee.

The CHAIRMAN: Do you know if the committee have these regulations? I presume they have.

Mr. GREEN: A little louder, please.

The CHAIRMAN: Have we these regulations before us?

The WITNESS: I cannot say, sir; but they can readily be provided.

By Mr. Cleaver:

Q. Coming now to the strictly farming part of the scheme, Mr. Murchison, do you find that that sum of \$4,800 for land and buildings is sufficient to purchase a good farm in southern Ontario?—A. I would say it is sufficient to purchase some good farms in southern Ontario, the same as it is sufficient to purchase some good farms in other provinces.

Q. What provision, if any, is there for a veteran who has picked out a farm and the land and buildings cost him more than \$4,800 and he is willing to put up the balance himself or through his friends; what provision is made with regard to cases of that kind?

A. We ask the veteran to deposit the surplus purchase price in addition to his 10 per cent of the maximum we are permitted to give him.

Q. And if he does that, the deal can go through?—A. That is correct.

Q. You gave us a few of the reasons for delays in closing these deals; and you covered all the points, in my opinion, except one, and that is delay in the

veterans' land office. You, of course, know that there are some serious delays occurring now in regard to your own solicitors' offices. Where these delays exceed 30 days on the part of your own solicitor, is there any reason why that interest on the purchase price should not be allowed? Before you answer that I will give you one concrete case. Purchase was made from a man named Pettit in the township of Nelson in county of Halton. He was formally advised by the board that his land was to be purchased, that the price was agreed on of \$28,000. It was a rather large holding. Over three months' delay occurred through no fault of the vendor or his solicitor, with a very substantial interest loss to the vendor. Is there any reason why in a case of that kind the board should not pay at least 3 per cent interest while the vendor is being kept waiting on the pleasure of the board?—A. I find that a rather difficult question to which I might give a ready answer.

Q. Well, if you would rather reserve your answer, I am quite willing. If I understood your figures correctly, you anticipate applications by the end of 1946 of more than twice the number that you will be able to fulfil.—A. That is for qualification, sir.

Q. Yes. How do you plan to ration the acceptance of these applications if your applications are going to be double what you are physically able to handle?—A. I think you will realize that is a very difficult question for me to answer.

Q. I know it is. But I think you will also realize it is a very difficult problem for the sitting member to explain, where one man's application is granted and another man with similar qualification has his application refused and he is told, "it is physically impossible for us to buy this land and erect this house this year". I say that the board should give very serious consideration to setting up a general rule so that all veterans will be treated as nearly alike as possible under those circumstances.—A. I think that would first of all involve a decision cutting squarely across the Act as it now stands; that is, that a man who had service outside of Canada is in the preferred class, and that the man who served in Canada only and who is in receipt of a pension is in the second class and the man who served in Canada only is at the bottom of the list.

Q. Have you set up such rules and are they available in printed form?—A. No. I cannot set up such rules because that part of the Act defining "veteran" limits it to one year's service with the active forces in Canada or having not served a year, is in receipt of a disability pension.

Q. Yes. I am suggesting very seriously to you that I can see all sorts of trouble ahead next year, and I know that you are already aware of it. I think, Mr. Chairman, that this committee should have some rather full recommendation from Mr. Murchison that we can consider for rationing, because if the applications are going to be more than double what we are able to fulfil, I can see all sorts of grief.

By Mr. Quelch:

Q. Mr. Chairman, whatever I may say, I want to make it very clear that I think this is a good Act. In 1942 I made that observation when, along with several others on the committee, I did point out what I considered were certain weaknesses. I am glad to say that some of these weaknesses have been removed, but unfortunately some still exist in the draft bill. When we formulated this bill in the first place we founded it on the principle that the soldier should have a substantial equity in the land. The mortgage companies at that time, I believe, took the stand that the farmer should have a 50 per cent equity. The Central Mortgage Bank Act was founded on the basis of a 20 per cent equity. But we provided for a 43 per cent equity including 10 per cent paid down by the soldier. That is, we allowed \$3,600 for the land, \$1,200 for stock and equipment. The \$1,200 was an outright gift; and one-third of the purchase price

of the land, less the amount of 10 per cent cash payment, was also a grant given the soldier, making an outright grant of \$1,920. Then later on we increased that from \$3,600 to \$4,800. The equity was still around 43 per cent but the amount of the grant increased to \$2,320. Now under this bill I notice that in section 9 we provide that the total amount of \$6,000 can be spent on land; instead of \$1,200 having to be spent on stock and equipment we allow the soldier to spend the whole \$6,000 on land, no doubt largely due to the fact that the price of land has gone up. But in doing that we reduce the soldier's equity to about 24 per cent. We reduce the grant from \$2,320 to \$1,400. I do not think that is altogether fair, because if he spends the total amount of \$6,000 on land, he loses the \$1,200 grant. Two-thirds of that \$1,200 will now have to be repaid and his cash payment will be increased from \$480 to \$600; so that actually we find that instead of getting a \$2,320 grant he gets only \$1,400. In view of the fact that we recognize that the price of land has gone up that the soldier may not be able to buy land for \$4,800 and therefore requires to use the whole \$6,000 for land, it does seem to me that we should allow that \$1,200, which is considered a grant, to be still a grant, although it is used for land. I quite realize perhaps the reason behind that is that if the soldier is going to use the whole \$6,000 for land, he must have some other means of obtaining machinery. Maybe he can get some relatives or friends to lend him his machinery. But even so, if that is done, why should we reduce his equity from 43 per cent or 40 per cent down to 24 per cent? I was wondering why the department has not provided that the \$1,200, although being used for land, will still be in the form of a grant?—A. The difficulty we ran into on that point, Mr. Chairman, was referred to in my opening remarks. It is directly traceable to the difficulties we ran into in connection with small holding establishments which involve the construction of new homes. It was shown as I mentioned in my opening remarks, that we could not comply with minimum building standards under the present day cost of construction within \$4,800 in many districts. I think myself it is a matter for the government to decide whether there is going to be an over-all ceiling of \$6,000 in this Act or whether that ceiling is going to vary between districts; because once the principle of local variations is accepted, then you run into a situation say in the Okanagan Valley where mature orchards cannot be purchased for less than \$1,500 an acre. You run into a similar situation in many parts of the Niagara Peninsula. You run into the same situation in the larger and better grain farms in western Canada. You run into that situation in the Annapolis Valley. You run into it in very high grade dairy farms say that are typical of the better parts of Oxford County in Ontario and in certain parts of the province of Quebec.

Q. You miss my point. I am not objecting to allowing the soldier to use the whole \$6,000 for land. What I am objecting to is the fact that by doing so you are reducing his grant from \$2,320 down to \$1,400. When you use that extra \$1,200—the \$1,200 that was provided for stock and equipment—for the purpose of the land, why could you not provide that it still be in the form of a grant, and then compel the soldier to repay two-thirds of the \$4,800, so that his grant will still be \$2,320? That is the point I am trying to make.—A. I think the difficulty there is deciding on whether you are going to put an ultimate cost ceiling on land.

Q. The cost will be the same, \$6,000. The total amount of money now allowed by the department is \$6,000 whether he uses \$4,800 on land and \$1,200 for stock and equipment or the total amount of \$6,000 for land. The only difference is if he uses \$1,200 for stock and equipment that \$1,200 is an outright grant, but if he uses that \$1,200 for the purchase of land then two-thirds of that \$1,200 has to be repaid to the department with the result you are reducing the grant from \$2,320 down to \$1,400. You are reducing the amount of the grant by

\$800. Then you increase his cash payment by \$120 so that he loses \$920 in the form of grant by using that money for land instead of stock and equipment. I cannot see why that is necessary. Why can you not still allow the full amount of grant of \$2,320?—A. I think that is a pretty hard question for me to answer, but I would make this observation, that every time you increase your ceiling for land you are merely playing along with the inflation which has been quite marked.

Q. If that is your attitude why have you made it possible to spend \$6,000 on land? If you feel you should have a ceiling of \$4,800 why not put it at \$4,800 but you have provided a ceiling in the draft bill of \$6,000, and in so doing you have penalized the soldier to the extent of \$920. I cannot understand why that penalty should be there.—A. Of course, in the setting up of small holdings—

Q. I am thinking of full time farming chiefly. Whatever questions I have at this time will be in regard to full time farming. Perhaps we can leave that for later on because when that section comes up it will need a lot of discussion. No doubt you will have time to consider that question. Then there is the question of the pool of machinery you have formed.

Mr. ISNOR: Do you favour the former arrangement?

Mr. QUELCH: No, I am quite in favour of this because I realize that the price of land has gone up, but I say in view of the fact we recognize that the soldier should have a grant of \$2,320 that grant should still continue even though he uses the \$1,200 for stock and equipment for the purchase of land. That is my point, and that only. I am not criticizing the utilization of the \$6,000 for land at all.

Mr. WRIGHT: Then there are the agreements with provincial governments.

By Mr. Quelch:

Q. When you enter into an agreement with a provincial government even though you do not provide any money for land at all you still allow him a grant of \$2,320. As Mr. Wright points out that is an additional argument. As to the question of the pool of machinery you have formed the criticism I have heard from some of your own pool supervisors is that the kind of machinery you are providing is altogether inadequate to meet the needs of western farming. The size of the combine tillers is four feet and sometimes a six-foot tiller whereas practically all farmers out west use an eight-foot tiller. You have not provided for that. You have provided for a small engine which is in some cases useless on the prairies. They want a larger engine. In view of the fact that the soldier will be bound to put up a certain amount of his own money in addition to the \$1,200 I should have thought in that pool you could include larger machinery. There is one other point in regard to machinery. You recognize the fact it is impossible to settle all soldiers on the land immediately under the Veterans' Land Act. Therefore, you have encouraged them where it is possible to wait. In some cases a soldier can possibly rent a farm in the meantime. If he rents a farm he gets a priority in the purchase of machinery. The machine companies grant that but he loses the discount. In order to get the discount on machinery he has to come under the Veterans' Land Act. What you are doing now by encouraging veterans to wait before going under the Veterans' Land Act is that you are compelling them to pay the full price for machinery instead of the discounted price. Could you not enter into an agreement with the machine companies whereby that discount would be allowed to all veterans who go on the land whether or not they are settling on the land under the Veterans' Land Act at this time?—A. I think there is a basis for negotiation there provided the veteran is buying his machinery for cash.

Q. Yes, for cash, but I have got instances before me right now where soldiers are settling on the land. They are going to go under the Veterans' Land Act but you do not want them to go just now if you can help it. They are making provisions for renting land but they find they have to pay the full price for machinery instead of getting the discounted price.—A. I think that is a point that may be adjusted with the machine companies provided the veteran is armed with a certificate from the administration that he is a veteran and on the understanding he is paying cash for the machinery. I would be prepared to discuss that with the machine companies.

Q. Then, in each district you have certain men acting in an advisory capacity. I do not mean they are actually employed by the department but they are set up as an advisory committee. Who appoints those men, and upon what basis are they appointed? Are they recommended by the Legion or by the community?—A. They are recommended by the district superintendent for the province.

Q. I am not necessarily criticizing the appointment.—A. They are recommended by the district superintendent for the province probably on the advice of the regional supervisor. They are reviewed by me at head office and they are approved by Governor in Council.

Q. I think the definition of "veteran" in the Act is vague but the Act does provide, does it not, that members of the women's auxiliary can go under the Act?—A. Pardon?

Q. Members of the women's auxiliary can benefit under the Act?

The CHAIRMAN: The Canadian Women's Army Corps.

The WITNESS: Yes.

By Mr. Quelch:

Q. Where there is a veteran married to a member of the women's auxiliary and they are going to go farming jointly apparently it is undecided whether the girl takes the land in her name or whether the boy takes it in his name. It is an important point because whichever one goes under the Act loses the re-establishment credit.—A. Right.

Q. Therefore naturally if the girl has less service than the boy she will want to take the land so that the boy can get the advantage of the larger re-establishment credit. What is the ruling in that case?—A. You are posing quite an administrative problem there because first of all we endeavour to look on the male head of the household as the responsible head under Canadian law.

Q. But you will admit that sometimes the woman happens to be the best business manager?—A. As there are no ladies present I will not concede that.

Q. I was wondering if the best way out of that difficulty would not be for them to pool their re-establishment credits, divide them by two, and allow them the average of the two? Then there would be no reason why the department would object to the girl or the boy taking land in their respective names. A. It is a matter to which we have given a great deal of thought. There have been representations on that point, but there are quite a few practical difficulties. The difficulty is not so serious when you are dealing with a male and female veteran who are married. The more serious difficulty arises when you are dealing with a member of the women's auxiliary who is married to a civilian because there you must confine your consideration of the qualifications, so far as military service is concerned, to the woman, because the man has no service qualifications. But when you are dealing with the more normal case, that of a member of the women's auxiliary who is married to a veteran, the woman may or may not have had services with the forces, we still feel we are following a more normal procedure when we follow the qualifications of the man as being

the head of the household, since he is supposed or expected to do the work and to accept the responsibility of taking care of his family. I think that is the normal approach to a situation of that kind. There are cases occurring where qualification certificates are issued to the male veterans largely because they have a particularly good wife. Then again there are qualification certificates being refused to male veterans because their helpmates are not the type of women who appear to be content to settle down to our type of establishment, if I can put it that way.

By Mr. Mutch:

Q. But do you state that as a reason when rejecting?—

The CHAIRMAN: Just one point on that, Mr. Quelch, the regulation which requires that the wife may be required to appear, is on page 532i of the red book which you have, if you wish to refer to it.

By Mr. Quelch:

Q. I realize that all these questions will be followed up later; but I thought it would be interesting to get the superintendent's attitude on these questions at this time, before the next committee meeting. I have just one other question and it is with respect to section 13. When we discussed the service grants act we recommended an amendment so that the veteran coming under section 13 would not be debarred from obtaining re-establishment credit. But when this Act was before us in 1942 a number of us took the stand that a soldier, owning a farm which was heavily mortgaged, should be allowed to participate in the full benefit of the Act. But as it now stands all he can do is get a loan to pay off the mortgage. Has the department given consideration towards allowing the soldier who has, say, a half section with a \$4,000 mortgage on it—the value of it being \$5,000, so he has an equity of only \$1,000—to sell that half section to the veterans land act administration and then buy it back?—A. Not only have we considered it, sir, but we are doing it.

Q. But it is not in the Act?—A. It does not need to be in the Act because we cannot deal with such applications under section 13.

Q. Since when have you been doing that?—A. Ever since operations commenced.

Q. When I came down here I had just heard of a case in the Munson area of a boy who had mortgaged a farm for \$3,000 and that boy wanted the benefit of the Act. He was told that all he could get was a loan. The local supervisor recommended that the Board be allowed to purchase the land, and you refused. I feel that that boy should have been allowed to get the full benefit of the Act by selling that land to the department?—A. When you mention Munson you are talking about one of the higher priced land areas in that part of Alberta. If the man was refused on the basis of a purchase, it was because his land was of a value that would permit us, within the Act, as it stands, to meet the terms of his application. What I mean to say is: if he has a half section of land at Munson, it is worth fully \$6,000 today.

Q. Yes, he has a mortgage of over \$3,000. Then he would have to buy all his machinery, and stock; he would have to invest at least \$3,000 to obtain the necessary machinery. It is heavy land, and you cannot farm heavy land with less than \$3,000 or \$4,000 worth of machinery. But, if, instead of having that half section of land, he had an equity of \$3,000 in bonds, then he could have obtained the full benefits of the Act; but simply because his equity was in land, he was denied?—A. The difficulty there is where we can draw the line. I think if we went back to the records of the 1942 committee you would find some reference to it. It was recognized at that time, although I speak from memory,

that there would probably be a limited number of veterans in the armed forces who would be possessed of very valuable property; and at the same time it was recognized that the average veteran possessed of land that was encumbered would be up against considerable difficulty in coming under section 13, because loans were restricted to sixty per cent of the appraised value. That is the way this worked out in practice. There have been very few establishments carried out under the Veterans' Land Act on a mortgage basis.—A. The difficulty may be classified in a three-fold manner. First, we have veterans who are possessed of land which is otherwise suitable for their establishment, but which is, at the time, in a low state of development and consequently of low value. There is no difficulty there because the present value is such that if establishment is to be carried out on a constructive basis, they must be taken in under section 9. Building repairs mean new qualifications which are so necessary to round that into a self-sustained farm holding. There is no difficulty at the lower end of the line. At the upper end we have veterans who are possessed of very valuable property running into the \$8,000 to \$10,000 or \$12,000 class, who are in quite sound financial shape and whose requirements for re-establishment are within the \$2,000 to \$3,000 range. There is no difficulty there in deciding whether there should be a normal mortgage loan of $3\frac{1}{2}$ per cent. The difficulty is right in the centre. That is where it is difficult to decide where you should go because if a narrow interpretation is put on what improvements should be made to the farm to bring it up to a productive bases;—if there is a narrow interpretation put on how much stock and equipment, or what the minimum should be that we allow this man in order to convert him into a farmer, we might squeeze by under section 13 as it stands and probably wind up by permitting him a loan under that section of the Act. On the other hand we endeavour to take a more constructive view and say that in order, soundly, to re-establish him, disbursements are going to be necessary in excess of sixty per cent of the value of the land, and therefore bring him in under section 9.

Q. Your yardstick is, then, the amount of equity he has in that land. If it is over forty per cent equity, you say he should go under section 13?—A. I would not make it that narrow, sir. It is not all just a matter of what his percentage of equity is. The real yardstick is: how much capital aid does the man need to bring about his sound re-establishment on the land.

Q. When you consider an application by a soldier, who has, for example, \$4,000 in bonds, then such applicant has a substantial amount of capital to enable him to come under the full benefits of the Act. Why then, do you differentiate between the amount of capital he may have in the form of land as against a similar amount of capital he may have in the form of a deposit in the bank or in the form of bonds?—A. I cannot answer that.

Q. That is a very, very pertinent question.

The CHAIRMAN: I wonder if we should not stop now because it is getting close to one o'clock.

Mr. CRUICKSHANK: I am just asking questions today. I underestimated myself when I said I would talk for four days.

The CHAIRMAN: How long will you take?

Mr. CRUICKSHANK: I just have a couple of questions to ask.

The CHAIRMAN: I am not trying to stop you from asking questions. Mr. Cruickshank. What I had in mind was the fact that it was getting close to the hour of adjournment.

Mr. CRUICKSHANK: I know that the director cannot answer these questions at this time, but I am going to ask them now in order to expedite matters and in order that they may appear on the record. The first question is this: Will the director find out if every applicant in the Fraser Valley appears before the

local advisory board, and also, if the applicant and his wife appear before the advisory board in the respective district where the advisory board is situated? What application is put in, or do they have to go to the extent of going to the local office at New Westminster, as in our particular case? And the second question is this: how many applications for small holdings or farms have been made in the villages of Abbotsford, Mission and Hope, that is, for small holdings and for farms; and how many in the municipalities of Chilliwack, Kent, Maple, Ridge, Matsqui, Mission, Pitt Meadows, and Summers? And also, in that connection, how many farms have been bought in those respective areas and what is the average price paid in those respective areas? I asked for an order of return on November 6 in connection with Japanese farms, and the answer I got was utter nonsense. The answer was that such information could not be provided by electoral districts. Anybody with a knowledge of British Columbia law knows that the land registry office registers these transfers and they are divided each month and a copy sent to the municipality concerned. To say that they cannot tell me is not in accordance with the facts. I want to know in each municipality, particularly, any farms that have been bought and I want to know the average price. It has been quoted here that the average price was \$55.54 per acre. I think the director realizes that I know enough about British Columbia to appreciate that there is not a farm available in the Fraser Valley that is worth blowing away that can be bought for that price at the present time. I expect that information to be available at our next meeting.

Another question I would like to have the director check on is in connection with "qualified status", asked about by Mr. Quelch, I believe, or Mr. Cleaver. Were the Legion consulted in connection with any appointments made in the Fraser valley? I have reason for asking that because the Legion were not satisfied with some appointments, and I am asking whether the Legion were consulted in connection with appointments to the staff. I am not asking about the advisory board; I mean the staff.

Another question that I want to ask is: how many Japanese holdings of farms are in the municipalities referred to? And now, if that is available on the record I want the director to give me a definition of what he means in connection with Japanese farms and as to small holdings. As I understood the statement of the director this morning it was that in some cases there was only one-half an acre, although originally they had hoped that they would have one acre. And now, I happen to know that there is not one of these holdings of Japanese farms now classed as small holdings which are less than five acres.

Mr. CROLL: Do I understand that appointments are being made without consulting the local member?

Mr. CRUICKSHANK: Appointments are being made without consulting anybody.

Mr. WRIGHT: There are one or two questions I want to put to the director which he might answer at our next meeting. I started to speak some time ago—in fact when he completed his statement—but Mr. Cleaver got ahead of me and time has been monopolized since then.

Mr. MUTCH: Should you not say "utilized"?

Mr. WRIGHT: I think "monopolized" is the word to apply. If related to the minister's statement with respect to the total number that it would be possible to settle, which I think we were told was approximately one-half the applications, that makes the question I want to ask rather important. I think the reason why the statement was made that it would only be possible to settle 17,470 up to 1946 is the fact that there just is not land available to obtain holdings for more than that number; and the question I wanted to ask was whether the director could give us some indication of the increase in the value

of land in the last six months as compared with the first six months when he was purchasing land in 1943. I know that there has been a tremendous increase in the cost of land in the better farming areas, and at the present time even with the \$6,000, the amount which is now available for the purchase of land, it is difficult to obtain the type of land that the director wishes to settle soldiers on. I should like him to give us some indication at the next meeting as to what the increase in the asking price of the land was to the board during the last two years.

Mr. BENTLEY: Before we break up, Mr. Chairman, I should like to ask you if you would do something. These questions that have been asked today and the statement and answers made by the director and put on the record are going to be rather important in future discussions. I have not had a printed report of one of these meetings since November 6. I know it has been asked before that you try to get things hurried up, and you said you would. Could you make another effort to hurry up the getting out of these reports?

The CHAIRMAN: There is continual pressure on those concerned to get the reports out as fast as they possibly can.

Mr. MUTCH: We cannot hope to have today's proceedings before about Friday.

The CHAIRMAN: They have been running about two days behind.

Mr. CRUICKSHANK: Then could we have some other work taken up for a day or two, Mr. Chairman? I want to read what Mr. Murchison said and what the others have said before I question Mr. Murchison.

The CHAIRMAN: There will be other questions asked; and before we report this bill, I am sure there will be every opportunity afforded to you.

Mr. CRUICKSHANK: No, no, Mr. Chairman. What I mean is this. Instead of having Mr. Murchison to-morrow, could not we have some other branch of the work taken up, so that we can study the evidence of today and the questions asked?

The CHAIRMAN: We will consider the statement in steering committee and report back to-morrow. Will the steering committee wait for a moment or two now?

The committee adjourned at 1.05 p.m. to meet again on Tuesday, November 13, at 10.30 a.m.

APPENDIX "A"

THE CANADIAN ASSOCIATION OF REAL ESTATE BOARDS
BRIEF ON VETERANS' LAND ACT

Prepared for submission to the.....Parliamentary Committee
on Veterans Affairs

Objections to Clause 33 of the Veterans' Land Act by the Canadian Association of Real Estate Boards and all other informed Real Estate Brokers throughout the Dominion are based on the necessity for a Vendor taking an Affidavit, clause 3 of which reads as follows:—

No person, firm or corporation has collected or attempted to collect from me, nor been paid by me, nor, as far as I am aware, has any person collected or attempted to collect from any person, whether interested in the land to which such conveyance relates or otherwise, or charged as against any person, or been paid by any person, any fee or commission or advance of price for services rendered in the sale of such land to the Director, whether for the finding of a buyer or otherwise.

For the past few years various Real Estate Brokers throughout the Dominion and particularly the C.A.R.E.B. have diligently sought reasonable explanations as to why the Act should exclude payment of commission by the Vendor on the sale of Land, and why a recognized profession the services of which have been used with satisfaction many times by the present Government should be legislated against as in this instance. To date, in the opinion of organized Real Estate Brokers, no explanation has been given which can be construed to be reasonable.

Mr. Gordon Murcheson, in reply to a letter regarding the matter from the President of the Vancouver Real Estate Exchange, defended the insertion under question by saying that it was to prevent the operation of unscrupulous agents, who doubtless would endeavour to reap an easy harvest and secondly to provide an effective safeguard against Administrative Officials being exposed to suspicion that they have a personal interest in the land transactions passing through their hands.

The director of the Veterans' Land Act Department feels that real estate agents would bribe officials of his Department. Assuming the cost of the farm was \$4,000, and the rate of commission 5 per cent, the Vendor's agent would receive \$200; so that surely the Vendor, who is receiving \$4,000 without an agent's commission to pay, would be in a far better position to bribe the departmental officials than would be the agent who is only receiving \$200.

The director also made a point that agents would obtain exclusive listings for all or nearly all the farms in a given area. This, we submit, would be a task; even if it were possible to persuade all the farmers in the area to list their farms exclusively, and that no agent or agents could afford the time necessary to accomplish this task. For example, let us assume that the Department is going to buy \$300,000 worth of farm land within a twenty-mile radius of Ottawa and the commission on this would be \$15,000. There are nearly fifty real estate agents in Ottawa, and let us assume that they all dropped their

work and undertook the above mentioned task which, even with them all working, would take at least several months to accomplish. They would each get \$300.

It is incontestable that the qualified Farm Realtors of Canada have access to more listings and reliable information about Farms than the Department could possibly have, and are able thereby to reduce the time and cost to Veterans in finding suitable properties for their requirements.

It is most important to consider that the Veteran would have access to listing files now closed both to him and to the Veterans' Land Act Department. These lists which would be of great benefit to him are at present not available to him because of Section 33 of the Act.

At present there are no facilities provided by the Veterans' Board to take the purchaser to the Land. Transportation would be provided by the Vendor's Agent.

It deprives Veterans of the services of experienced advice. Most Real Estate Agents, Members of this Board in many cases being returned men from the last War themselves, would only be too glad to assist the Veteran, and are anxious to do so.

General dissatisfaction is being expressed by Veterans over the limitations placed on them by the Government. In many cases the only way they can find land is by going to a Real Estate Agent who is advertising, only to be told that, in accordance with the Law, they cannot deal with them. This is proven by the number of men who have been settled on the Land already. In the Regina Office, which approximately takes in the South of the Province below Township 22, only about 45 men have been settled on land, that is the money paid out. In addition, the Department have bought another 56 Farms, which, so far, have not been given to returned men. These are the approximate figures up to October 15, 1945. We have not got the figures of the other three Offices in Saskatchewan, but we presume they would work out in the same proportion as Regina. In view of the fact that this is a Farming Province and the Veterans' Land Act was passed in 1942, it would seem to us that very few men in proportion to the number with Farming experience who joined the Forces from this Province and who want to go back to the land, have been assisted. We contend that if the returned man was allowed to go to a reputable Real Estate Agent, many more would have been settled by now. Hundreds of Farms have been sold during the last year to other than returned men, which might have been sold to the Veterans if they were given the same chance as ordinary civilians.

The Realtors of Canada stand as high in honour and ability as any profession in Canada.

The sons of many Realtors in Canada, and Realtors themselves, have given their lives for Canada.

No other profession has been precluded from serving the Veteran, and almost every item necessary for the Farm bears a greater charge for services than does the sale of Lands, which is generally 5 per cent. What is the profit on Farm Machinery, Tractors, Automobiles, Stock, et cetera?

Being unfair to a legitimate business it is undemocratic.

Prevents the Government from getting advice from those who have had the experience.

Is unfair to the Veteran.

As Land Values are variable in each District, nobody has better knowledge of them than the Local Real Estate Agent.

Would assist the Government in getting a better deal when buying. We contend that a Real Estate Agent could make a better deal than the Government buying direct.

When the Land Act was passed it was thought that V-J Day would not be for many years, and no doubt it was considered that there would be plenty of time to settle the Veteran on the land. We contend that now, on account of so many men returning in a short time, *speed is essential*. The Veteran has to be found Land during this Winter if he is to be producing next year. We consider that the local Real Estate man, who knows the different Farms and Land, is the one to help, which he is prevented by the Act, as it is now, in so doing.

The Act, as before stated, is neither fair to the Veteran nor to the Real Estate Agent. The Veteran is compelled to find out the owner of Land now by underhand methods, such as having somebody else go (not a Veteran) to the Real Estate man to find out particulars of a Farm advertised, the Veteran then going to the owner direct. This is being done the whole time from the experience of Members of this Board.

One of the principle uses of an agent is the fact that he acts as a buffer between the Vendor and the Purchaser, and thus enables the Vendor to obtain a reasonable price and the Purchaser to buy at a reasonable price. Usually, when Vendor and Purchaser come face to face, both are reluctant to commit themselves, but they will each be more frank with the agent. It is a recognized fact that large buyers and sellers of property habitually employ agents.

The Vendor is amply protected from the exploitation of unethical real estate agents by the fact that the farm has to be first valued by the officials of the Veterans' Land Act and also soil tests, etc., made by competent authorities.

The allowing of agents to list farms and show them to veterans would automatically add trained personnel who could show veterans farms and thus speed up the placing of returned soldiers.

Dated this 12th day of November, Hamilton, Ontario.

CHARLES E. PURNELL, *President*,
Pigott Building, Hamilton, Ont.

E. W. C. SHARPE, *Executive Secretary*,
414 Bay Street, Toronto, Ontario.

APPENDIX B

THE VETERANS' LAND ACT 1942

SETTLEMENT OF CANADIAN VETERANS ON PROVINCIAL LANDS

PROVINCE OF ALBERTA

Memorandum of Agreement entered into this Thirtieth day of August, 1945,

BETWEEN:

The Government of the Dominion of Canada (hereinafter called the Dominion),

OF THE FIRST PART,

and

The Government of the Province of Alberta (hereinafter called the Province),

OF THE SECOND PART.

Whereas section 35, The Veterans' Land Act, 1942 empowers the Minister of Veterans Affairs, with the approval of the Governor in Council, to enter into an agreement with the Government of any province for the settlement of veterans on any provincial lands which the provincial Government may recommend as being specially suitable for settlement of veterans and that the said Agreement shall contain such provisions, conditions and limitations in regard to such settlement as the Governor in Council may approve and

Whereas the said section 35 provides that an Agreement as aforesaid shall provide that the Director, The Veterans' Land Act may notwithstanding any other provision of the Act and subject to regulations made under the Act, grant an amount not exceeding Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) to a veteran who settles on provincial lands pursuant to such an Agreement and that grants made pursuant to this authority shall be used only for the purposes set out in subsection (4) of the said section 35.

Whereas lands which are deemed specially suitable for the settlement of veterans are vested in the Province and the Province is prepared to make such lands available for settlement subject to the following provisions, conditions and limitations,

Now therefore this Agreement witnesseth:

1. In this Agreement, unless the context otherwise requires, the expression
 - (a) "Minister" means the Minister of Veterans Affairs;
 - (b) "Director" means the Director, The Veterans' Land Act;
 - (c) "Veteran" means a person defined as a "Veteran" under section 2 (d) of the Veterans' Land Act, 1942;
 - (d) "improvements" means clearing and bringing land under cultivation, fencing, buildings, building materials and water supply and drainage effected on the land occupied by a Veteran, the cost of which was provided by the Director, the Province or the Veteran;

(e) "chattels" means live stock, farming machinery, forestry machinery, commercial fishing equipment, fur farming or trapping equipment and household equipment, the cost of which was provided by the Director.

2. The Province agrees to make available to the Director and to Veterans a list or lists of lands, by settlement units, recommended by the Province as being suitable for settlement of Veterans and to indicate the terms under which such lands are available to Veterans.

3. (1) There shall be appointed Regional Committees to advise the Director and the Province:

- (a) as to the qualifications of Veterans to participate in this plan of Settlement, having regard to the age of the Veteran, his background of related experience, his physical fitness, evidence of industry and thrift, stability and the general aptitude of the Veteran and his family if he is married;
- (b) as to the suitability of each settlement enterprise after taking into account the terms of occupancy, the suitability of the land for agricultural purposes, for forestry purposes, for the production of fur, as a working base for commercial fishing, as a homesite contiguous to seasonal or permanent employment opportunities or for a combination of any of these purposes;
- (c) as to the existence of or the provisions to be made by the Province for roads, markets and essential educational and medical services;
- (d) as to the plans which are projected for the purpose of clearing and cultivating the land or the development for other purposes and generally to advise if any particular settlement project appears to present a reasonable opportunity for the re-establishment of the Veteran and his family if he has one; and
- (e) with respect to any other matters referred for consideration by the Director or the Province.

(2) A Regional Advisory Committee shall consist of three members appointed by the Governor in Council, one of whom shall be the Chairman, and three members appointed by the Lieutenant-Governor in Council. A quorum may consist of the Chairman and one representative of the Province. The Dominion shall bear the cost of fees and expenses of the Dominion representatives and the Province shall bear the cost of fees and expenses of the Provincial representatives.

4. Land made available to a Veteran under this Agreement, in respect of which financial aid is granted by the Director, shall be made available subject to the following terms and conditions, namely:

(1) The Veteran shall have the right of immediate possession.

(2) The terms and conditions under which title to land and improvements may be granted to a Veteran by the Province within a period of ten years from commencement of occupancy by such veteran shall be subject to the approval of the Minister.

(3) In the event of occupancy of provincial land by a Veteran under terms other than by purchase agreement, a Veteran who has complied with the conditions of his homestead entry or the conditions stipulated in his Agreement with the Province shall, at the completion of ten years' occupancy, be granted title to the land by the Province. Provided, however, that the Veteran may, if he so elects, continue to occupy the land under a lease agreement with the Province in preference to the acceptance of title.

5. (1) Subject to the terms and conditions contained in clause 4 of this Agreement, the terms of occupancy of provincial land by a Veteran may be:—

- (a) by homestead entry in accordance with the regulations in force in respect thereto;
- (b) by lease agreement between the Province and a Veteran;
- (c) by agreement of sale between the Province and the Veteran.

(2) A copy of the Agreement between the Province and the Veteran, made under the terms of this Agreement, shall be filed with the Director forthwith after execution thereof.

6. The Director may, subject to the terms of this Agreement and subject to the provisions of The Veterans' Land Act, 1942 and regulations made thereunder, grant to a Veteran who settles on provincial land under the terms of this Agreement an amount not exceeding Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) for any of the purposes set forth in section 35 of the said Act.

7. Financial aid to a Veteran under the provisions of section 35, The Veterans' Land Act, 1942 and the provisions of this Agreement shall be confined to persons who are Veterans as defined by section 2, The Veterans' Land Act, 1942 and regulations made thereunder.

8. It is mutually agreed that, in the event of abandonment of land by a Veteran or cancellation by the Province of the Veteran's settlement agreement for cause, within a period of ten years, an appraisal shall be made of the land and improvements in respect of which financial assistance for improvements was provided by the Director or the Province or both. Such appraisal may be made by an official designated by the Director and an official designated by the Province and the costs of such appraisal shall be borne equally by the Director and the Province.

9. (1) The Regional Committee shall consider the appraisal report made pursuant to clause 8 of this Agreement and all other relevant evidence and determine the present-day value of the land and all the improvements thereon. The Regional Committee shall also determine the present-day value of the improvements which resulted from the disbursements made by the Director for improvements and the present-day value of the improvements which were effected by the Veteran, and shall recommend to the Director and to the Province the respective present-day value of the improvements as aforesaid. In the event that the Director and the Province are unable to agree with the recommendation of the Regional Committee there shall be a third party named by the Director and the Province to arrive at the value of the said improvements.

(2) Where it appears that the present-day value of the improvements which result from the disbursements made by the Director on behalf of the Veteran for improvements, is equal to 50 percent of the total value of the land and all improvements thereon, the Province may elect to pay to the Director, within a period of two years, the value of such improvements or to transfer title to the land and improvements to the Director, whereupon the Director shall have the right of sale. The proceeds of such sale as received by the Director shall be applied; firstly, in payment of any unpaid taxes lawfully levied against the land and improvements; secondly, in repayment of the grants made by the Director, together with costs not exceeding Fifty Dollars (\$50.00) in effecting a sale of the land; thirdly, any balance shall be paid to the Province. If the Director fails within a period of two years to effect a sale of the land and improvements, the property shall be transferred back to the Province.

(3) Where it appears that the present-day value of the improvements which result from the disbursements made by the Director on behalf of the Veteran for improvements is less than 50 per cent of the total value of the land

and all improvements thereon, the Province may elect to pay to the Director, within a period of two years, the value of such improvements, or to effect a sale of the land and improvements thereon. The proceeds of such sale as received by the Province shall be applied, firstly, in payment of any unpaid taxes lawfully levied against the land and improvements; secondly, in payment of the claims of the Province and thirdly, in repayment of the grants made by the Director.

(4) This clause shall apply, so far as the claims of the Director are concerned, only to such cases where abandonment of the land or cancellation of a veteran's agreement by the Province for cause occurs within ten years first following the date of the Veteran's agreement.

(5) Provincial land which has been abandoned or repossessed by the Province from a Veteran who has received assistance from the Director under the provisions of this Agreement may, on the recommendation of the Advisory Committee and with the approval of the Director, be allotted to another Veteran under the terms of this Agreement and on terms of occupation approved by the Province, provided, however, that financial assistance by the Director to such Veteran shall not exceed the amount by which the sum of Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) exceeds the amount already disbursed by the Director for improvements to the land concerned.

10. (1) It is further agreed that an appraisal of the land and improvements as provided by clause 8 of this Agreement shall be made where it appears to the Director or the Province that a Veteran, following a minimum of three years' occupancy of land under a lease agreement with the Province, is unable by reason of causes beyond his control to carry out the terms of his Agreement.

(2) The Regional Committee shall consider the appraisal report and all the relevant circumstances and if, in the opinion of the Regional Committee, discontinuance of the Veteran's agreement with the Province shall result in the Veteran being in necessitous circumstances the Regional Committee may, subject to the provisions of sub-clause (2) of Clause 4 of this Agreement, recommend to the Province the basis upon which title to the land and improvements thereon may be granted by the Province for the purpose of facilitating a sale of the land and improvements by the Veteran.

11. The right, title and ownership of chattels supplied to a Veteran from funds provided by the Director shall, unless released by the Director, be vested and remain in the Director for a period of ten years first following the date of the first disbursement. In the event of abandonment of the settlement enterprise by the Veteran or cancellation of his settlement agreement by the Province for cause, or of abuse or neglect of the chattels, the Director shall have the right of immediate re-possession and sale of such chattels and the retention of the proceeds.

12. When a Veteran who has been established under the provisions of this Agreement dies, his rights acquired under the terms hereof shall devolve upon his heirs, devisees or personal representative pursuant to the law of the Province in which at the time of his death the property is situated, but subject to all rights, claims and charges of the Province and the Director respecting or affecting such property and to performance by such heirs, devisees or personal representative of all the obligations of the deceased veteran with respect to such property, and default on the part of such heir, devisee or personal representative with respect to any right, claim or charge of the Director or the Province shall have the same effect as would default on the part of the Veteran but for his death.

13. (1) The Province agrees to provide the same qualified personnel to advise Veterans established pursuant to the terms of this Agreement as is

provided to advise other settlers in the district in matters pertaining to the improvement or other development of land, in matters pertaining to field and animal husbandry and sound management practices relating to the type of enterprise upon which a Veteran may be established.

(2) The Province further agrees to furnish the Director with a concise report each year for a period of ten years or for such lesser period as a Veteran remains in occupation of the land, as to the progress being made by a Veteran, the condition of chattels in the possession of the Veteran which were purchased the Director immediately it becomes known that the Veteran has abandoned his on the welfare and success of the Veteran. The Province further agrees to advise the Director immediately it becomes known that the Veteran has abandoned his settlement enterprise, together with any information at the disposal of the Province which may assist the Director in locating and re-possessing the chattels which are the property of the Director.

(3) The Director agrees to bear part of the cost of an advisory and reporting service as aforesaid by payment to the Province of the sum of Ten Dollars (\$10.00) for each annual report submitted; provided, however, that the Director may at any time obtain a special report on any establishment at his own expense.

14. The disbursement of all grants to be made by the Director pursuant to the terms of this Agreement shall be made only on the approval of the Director or his representatives.

15. The settlement of Veterans under the provisions of this Agreement shall, so far as the Dominion is concerned, be subject to the provision of funds by Parliament.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this Thirtieth day of August 1945, at the City of Ottawa in the Province of Ontario.

Signed on behalf of the
Government of the Dominion
of Canada by Ian A. Mackenzie
Minister of Veterans Affairs
in the presence of

Ian Mackenzie

James A. Macdonald

Signed on behalf of the Government
of the Province
of Alberta by Nathan Eldon Tanner
Minister of Lands and Mines
in the presence of

N. E. Tanner

Mary C. Livingstone

THE VETERANS' LAND ACT 1942

SETTLEMENT OF CANADIAN VETERANS ON PROVINCIAL LANDS

PROVINCE OF MANITOBA

Memorandum of Agreement entered into this Twenty-fourth day of September, 1945,

BETWEEN:

The Government of the Dominion of Canada (hereinafter called the Dominion),
OF THE FIRST PART,
and

The Government of the Province of Manitoba (hereinafter called the Province),
OF THE SECOND PART.

Whereas section 35, the Veterans' Land Act, 1942, empowers the Minister of Veterans Affairs, with the approval of the Governor in Council, to enter into an agreement with the Government of any province for the settlement of Veterans on any provincial lands which the provincial Government may recommend as being specially suitable for settlement of Veterans and that the said agreement shall contain such provisions, conditions and limitations in regard to such settlement as the Governor in Council may approve and

Whereas the said section 35 provides that an Agreement as aforesaid shall provide that the Director, the Veterans' Land Act may notwithstanding any other provision of the Act and subject to regulations made under the Act, grant an amount not exceeding Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) to a Veteran who settles on provincial lands pursuant to such an Agreement and that grants made pursuant to this authority shall be used only for the purposes set out in subsection (4) of the said section 35.

Whereas lands which are deemed specially suitable for the settlement of Veterans are vested in the Province and the Province is prepared to make such lands available for settlement subject to the following provisions, conditions and limitations.

Now therefore this Agreement witnesseth:

1. In this Agreement, unless the context otherwise requires, the expression

- (a) "Minister" means the Minister of Veterans Affairs;
- (b) "Director" means the Director, the Veterans' Land Act;
- (c) "Veteran" means a person defined as a "Veteran" under section 2 (d) of the Veterans' Land Act, 1942;
- (d) "improvements" means the cost, provided by the Director, the Province or the Veteran, of clearing and bringing land under cultivation, fencing, buildings, building materials and water supply and drainage constructed or effected on the land occupied by a Veteran;
- (e) "chattels" means live stock, farming machinery, forestry machinery, commercial fishing equipment, fur farming or trapping equipment and household equipment, the cost of which was provided by the Director.

2. The Province agrees to make available to the Director and to Veterans a list or lists of lands, by settlement units, recommended by the Province as being suitable for settlement of Veterans and to indicate the terms under which such lands are available to Veterans.

3. (1) There shall be appointed Regional Committees to advise the Director and the Province:

- (a) as to the qualifications of Veterans to participate in this plan of settlement, having regard to the age of the Veteran, his background of related experience, his physical fitness, evidence of industry and thrift, stability and the general aptitude of the Veteran and his family if he is married;
 - (b) as to the suitability of each settlement enterprise after taking into account the terms of occupancy, the suitability of the land for agricultural purposes, for forestry purposes, for the production of fur, as a working base for commercial fishing, as a homesite contiguous to seasonal or permanent employment opportunities or for a combination of any of these purposes;
 - (c) as to the existence of or the provisions to be made by the Province for roads, markets and essential educational and medical services;
 - (d) as to the plans which are projected for the purpose of clearing and cultivating the land or the development for other purposes and generally to advise if any particular settlement project appears to present a reasonable opportunity for the re-establishment of the Veteran and his family if he has one; and
 - (e) with respect to any other matters referred for consideration by the Director or the Province.
- (2) A Regional Advisory Committee may consist of three members appointed by the Governor in Council, one of whom shall be the Chairman, and three members appointed by the Lieutenant-Governor in Council. A quorum may consist of the Chairman and one representative of the Province. The Dominion shall bear the cost of fees and expenses of the Dominion representatives and the Province shall bear the cost of fees and expenses of the Provincial representatives.

4. Land made available to a Veteran under this Agreement, in respect of which financial aid is granted by the Director, shall be made available subject to the following terms and conditions, namely:

- (1) The Veteran shall have the right of immediate possession, subject to the right of any permittee, lessee or anyone else holding any temporary rights on the land, to remove any crop, fencing, temporary shelters, or any other improvements which he owns on the land.
- (2) The terms and conditions under which title to land and improvements may be granted to a Veteran by the Province within a period of ten years from commencement of occupancy by such Veteran shall be subject to the approval of the Minister.

5. (1) Subject to the terms and conditions contained in clause four of this Agreement, the terms of occupancy of provincial land by a veteran may be:

- (a) by lease agreement between the Province and a Veteran;
 - (b) by agreement of sale between the Province and the Veteran.
- (2) A copy of the agreement between the Province and the Veteran, made under the terms of this Agreement, shall be filed with the Director forthwith after execution thereof.

6. The Director may, subject to the terms of this Agreement and subject to the provisions of the Veterans' Land Act and regulations made thereunder, grant to a veteran who settles on provincial land under the terms of this Agreement an amount not exceeding Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) for any of the purposes set forth in section 35 of the Said Act.

7. Financial aid to a Veteran under the provisions of section 35, the Veterans' Land Act, and the provisions of this Agreement shall be confined to persons who are Veterans as defined by Section 2, the Veterans' Land Act, and regulations made thereunder.

8. In the event of abandonment of the land by a Veteran or cancellation by the Province of the Veteran's agreement for cause it is mutually agreed that within a period of seven months first following the date of abandonment or cancellation as aforesaid an appraisal shall be made of the land and improvements in respect of which financial assistance for improvements was provided by the Director or the Province or both. Such appraisal may be made by an official designated by the Director and an official designated by the Province and the costs of such appraisal shall be borne equally by the Director and the Province.

9. (1) The Regional Committee shall consider the appraisal report made pursuant to clause eight of this Agreement and all other relevant evidence and determine the present-day value of the improvements which resulted from the disbursements made by the Director for improvements, and the present-day value of the improvements which were effected by the Veteran, and shall recommend to the Director and to the Province the respective present-day value of the improvements as aforesaid. In the event that the Director and Province are unable to agree with the recommendation of the Regional Committee there shall be a third party named by the Director and the Province to arrive at the value of the said improvements.
- (2) It is mutually agreed that failing a resale of the land to another qualified veteran or to a person other than a veteran within a period of two years following cancellation of the first veteran's agreement the Director or the Province may request that an up-to-date appraisal of the land and improvements be made prior to resale.
- (3) Provincial land which has been abandoned or repossessed by the Province from a veteran who has received assistance from the Director under the provisions of this Agreement may, on the recommendation of the Advisory Committee and with the approval of the Director, be allotted to another veteran under the terms of this Agreement and on terms of occupation approved by the Province, provided, however, that financial assistance by the Director to such veteran shall not exceed the amount by which the sum of Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) exceeds the amount already disbursed by the Director for improvements to the land concerned.
- (4) In the event of resale by the Province to a veteran, the proceeds of such resale as and when received by the Province shall be applied, firstly, in payment of any unpaid taxes owing by a previous veteran purchaser; secondly, in payment of principal moneys and interest owing to the Province under the agreement for sale.
- (5) In the event of resale by the Province to other than a veteran, the proceeds of such resale as and when received by the Province shall be applied, firstly, in payment of any unpaid taxes owing by a previous veteran purchaser; secondly, in payment of interest charges under the new agreement for sale; thirdly, in repayment to the Director of the value of improvements without interest as fixed by the Regional Committee; and fourthly, in payment of the principal owing under the Agreement with the Provinces.
- (6) In the event that land abandoned by or repossessed from a veteran has not been resold to another veteran or to a person other than a veteran, it is mutually agreed that the Director may, within a period

of two years first following the date of such abandonment or repossession, purchase the land from the Province for the amount outstanding as of the date of abandonment or repossession.

- (7) If land which has been abandoned by or repossessed from a veteran be not resold upon the expiration of two years following the date of abandonment or repossession and if the Director fails to pay the Province the balance outstanding against the said land, any subsequent sale made by the Province shall be based on an up-to-date appraisal of the land and improvements. The proceeds as received by the Province shall be applied firstly on unpaid taxes, and the balance shall be applied pro rata between the Province and the Director as determined by the Regional Advisory Committee following consideration of the appraisal made as aforesaid.
- (8) It is further agreed that the Province will provide a clause in the settlement agreement that the purchaser or lessee will insure all buildings on or to be erected on the land with loss, if any, payable to the Province, and to protect both the Director and purchaser or lessee to the extent of their interest in the buildings, and all monies realized from the insurance in case of loss shall be disbursed by the Province as directed by the Regional Committee.
10. (1) It is further agreed that an appraisal of the land and improvements as provided by clause eight of this Agreement shall be made where it appears to the Director or the Province that a veteran, following a minimum of three years' occupancy of land under settlement agreement with the Province, is unable by reason of causes beyond his control to carry out the terms of his agreement.
- (2) The Regional Committee shall consider the appraisal report and all the relevant circumstances and if, in the opinion of the Regional Committee discontinuance of the Veteran's agreement with the Province shall result in the veteran being in necessitous circumstances the Regional Committee may, subject to the provisions of sub-clause (2) of clause four of this Agreement, recommend to the Province the basis upon which title to the land and improvements thereon may be granted by the Province for the purpose of facilitating a sale of the land and improvements by the Veteran.
- (3) The provisions contained in clauses 8, 9 and 10 of this Agreement shall apply, so far as the claims of the Director are concerned, only to such cases where abandonment of the land or cancellation of a veteran's agreement by the Province for cause occurs within ten years first following the date of the veteran's Agreement with the Province.

11. The right, title and ownership of chattels supplied to a veteran from funds provided by the Director shall, unless released by the Director, be vested and remain in the Director for a period of ten years first following the date of the first disbursement. In the event of abandonment of the settlement enterprise by the veteran or cancellation of his settlement agreement by the Province for cause, or of abuse or neglect of the Chattels, the Director shall have the right of immediate re-possession and sale of such chattels and the retention of the proceeds.

12. When a veteran who has been established under the provisions of this agreement dies, his rights acquired under the terms hereof shall devolve upon his heirs, devisees or personal representative pursuant to the law of the Province in which at the time of his death the property is situated, but subject to all rights, claims and charges of the Province and the Director

respecting or affecting such property and to performance by such heirs, devisees or personal representative of all the obligations of the deceased veteran with respect to such property, and default on the part of such heir, devisee or personal representative with respect to any right, claim or charge of the Director or the Province shall have the same effect as would default on the part of the veteran but for his death.

13. (1) The Province agrees to provide the same qualified personnel to advise veterans established pursuant to the terms of this Agreement as is provided to advise other settlers in the district in matters pertaining to the improvement or other development of land, in matters pertaining to field and animal husbandry and sound management practices relating to the type of enterprise upon which a veteran may be established.

(2) The Province further agrees to furnish the Director with a concise report each year for a period of ten years or for such lesser period as a veteran remains in occupation of the land, as to the progress being made by a veteran, the conditions of chattels in the possession of the veteran which were purchased by the Director and, generally, as to such matters as have an important bearing on the welfare and success of the veteran. The Province further agrees to advise the Director immediately it becomes known that the veteran has abandoned his settlement enterprise, together with any information at the disposal of the Province which may assist the Director on locating and re-possessing the chattels which are the property of the Director.

(3) The Director agrees to bear part of the cost of an advisory and reporting service as aforesaid by payment to the Province of the sum of Ten Dollars (\$10.00) for each annual report submitted; provided, however, that the Director may at any time obtain a special report on any establishment at his own expense.

14. The disbursement of all grants to be made by the Director pursuant to the terms of this Agreement shall be made only on the approval of the Director or his representatives.

15. The settlement of veterans under the provisions of this Agreement shall, so far as the Dominion is concerned, be subject to the provision of funds by Parliament.

In witness whereof the parties hereto have executed this Agreement this Twenty-fourth day of September, 1945, at the City of Ottawa, in the Province of Ontario.

Signed on behalf of the
Government of the Dominion
of Canada by
Minister of Veterans Affairs.
In the presence of

Ian A. Mackenzie.

Audrey Dixon.

Signed on behalf of the
Government of the Province
of Manitoba by
Minister of Mines & Natural Resources.
In the presence of

J. S. McDiarmid.

Approved as to form:

J. G. Cowan,
Asst. Deputy Minister,
Dept. of Mines & Natural Resources
Province of Manitoba.

THE VETERANS' LAND ACT 1942

SETTLEMENT OF CANADIAN VETERANS ON PROVINCIAL LANDS

PROVINCE OF SASKATCHEWAN.

Memorandum of Agreement entered into this Fourteenth day of September, 1945,

BETWEEN:

The Government of the Dominion of Canada
(hereinafter called the Dominion),

OF THE FIRST PART,

and

The Government of the Province of Saskatchewan
(hereinafter called the Province),

OF THE SECOND PART.

WHEREAS section 35, The Veterans' Land Act, 1942, empowers the Minister of Veterans Affairs, with the approval of the Governor in Council, to enter into an agreement with the Government of any province for the settlement of veterans on any provincial lands which the provincial Government may recommend as being specially suitable for settlement of veterans and that the said Agreement shall contain such provisions, conditions and limitations in regard to such settlement as the Governor in Council may approve, and,

WHEREAS the said section 35 provides that an Agreement as aforesaid shall provide that the Director, The Veterans' Land Act may, notwithstanding any other provision of the Act and subject to regulations made under the Act, grant an amount not exceeding Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) to a veteran who settles on provincial lands pursuant to such an Agreement and that grants made pursuant to this authority shall be used only for the purposes set out in subsection (4) of the said section 35.

WHEREAS lands which are deemed specially suitable for the settlement of veterans are vested in the Province and the Province is prepared to make such lands available for settlement subject to the following provisions, conditions and limitations.

Now therefore this agreement witnesseth:

1. In this Agreement, unless the context otherwise requires, the expression
 - (a) "Minister" means the Minister of Veterans Affairs;
 - (b) "Director" means the Director, The Veterans' Land Act;
 - (c) "Veteran" means a person defined as a "Veteran" under section 2 (d) of the Veterans' Land Act, 1942;
 - (d) "improvements" means the cost, provided by the Director, the province or the Veteran, of clearing and bringing land under cultivation, fencing, buildings, building materials and water supply and drainage constructed or effected on the land occupied by a Veteran;
 - (e) "chattels" means livestock, farming machinery, forestry machinery, commercial fishing equipment, fur farming or trapping equipment and household equipment, the cost of which was provided by the Director.

2. The Province agrees to make available to the Director and to Veterans a list or lists of lands, by settlement units, recommended by the Province as being suitable for settlement of Veterans and to indicate the terms under which such lands are available to Veterans.

3. (1) There shall be appointed Regional Committees to advise the Director and the Province:

- (a) As to the qualifications of Veterans to participate in this plan of Settlement, having regard to the age of the Veteran, his background of related experience, his physical fitness, evidence of industry and thrift, stability and the general aptitude of the Veteran and his family if he is married;
 - (b) as to the suitability of each settlement enterprise after taking into account the terms of occupancy, the suitability of the land for agricultural purposes, for forestry purposes, for the production of fur, as a working base for commercial fishing, as a homesite contiguous to seasonal or permanent employment opportunities or for a combination of any of these purposes;
 - (c) as to the existence of or the provisions to be made by the Province for roads, markets and essential educational and medical services;
 - (d) as to the plans which are projected for the purpose of clearing and cultivating the land or the development for other purposes and generally to advise if any particular settlement project appears to present a reasonable opportunity for the re-establishment of a Veteran and his family if he has one; and
 - (e) with respect to any other matters referred for consideration by the Director or the Province.
- (2) A Regional Advisory Committee may consist of three members appointed by the Governor in Council, one of whom shall be the Chairman, and three members appointed by the Lieutenant-Governor in Council. A quorum may consist of the Chairman and one representative of the Province. The Dominion shall bear the cost of fees and expenses of the Dominion representatives and the Province shall bear the cost of fees and expenses of the Provincial representatives.

4. Land made available to a Veteran under this Agreement, in respect of which financial aid is granted by the Director, shall be made available subject to the following terms and conditions, namely:

- (1) The Veteran shall have the right of immediate possession.
- (2) The terms and conditions under which title to land and improvements may be granted to a veteran by the province within a period of ten years from commencement of occupancy by such veteran shall be subject to the approval of the Minister.
- (3) In the event of occupancy of provincial land by a Veteran under terms other than purchase agreement, a Veteran who has complied with the conditions stipulated in his Agreement with the Province shall, at the completion of not more than ten years' occupancy, be entitled to an Agreement to purchase the land at a price and under terms based on fair productive value if it is agricultural land and fair value if it is other than agricultural land, as determined by the Province. Provided, however, that the Veteran may, if he so elects, continue to occupy the land under a lease agreement with the province in preference to occupancy under an agreement to purchase.

5. (1) Subject to the terms and conditions contained in clause 4 of this agreement, the terms of occupancy of provincial land by a Veteran may be:
 - (a) by homestead entry in accordance with the regulations in force in respect thereto;
 - (b) by lease agreement between the Province and a Veteran;
 - (c) by agreement of sale between the Province and the Veteran.
- (2) A copy of the Agreement between the Province and the Veteran, made under the terms of this Agreement, shall be filed with the Director forthwith after execution thereof.

6. The Director may, subject to the terms of this Agreement and subject to the provisions of the Veterans' Land Act and regulations made thereunder, grant to a veteran who settles on provincial land under the terms of this Agreement an amount not exceeding Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) for any of the purposes set forth in section 35 of the said Act.

7. Financial aid to a Veteran under the provisions of section 35, The Veterans' Land Act and the provisions of this Agreement shall be confined to persons who are Veterans as defined by section 2, The Veterans' Land Act and regulations made thereunder.

8. It is mutually agreed that, in the event of abandonment of land by a Veteran or cancellation by the Province of the Veterans' settlement agreement for cause, within a period of ten years, an appraisal shall be made of the land and improvements in respect of which financial assistance for improvements was provided by the Director or the Province or both. Such appraisal may be made by an official designed by the Director and an official designated by the Province and the costs of such appraisal shall be borne equally by the Director and the Province.

9. (1) The Regional Committee shall consider the appraisal report made pursuant to clause 8 of this Agreement and all other relevant evidence and determine the present-day value of the improvements which resulted from the disbursements made by the Director for improvements, and the present-day value of the improvements which were effected by the Veteran, and shall recommend to the Director and to the Province the respective present-day value of the improvements as aforesaid. In the event that the Director and the Province are unable to agree with the recommendation of the Regional Committee there shall be a third party named by the Director and the Province to arrive at the value of the said improvements.

(2) Provincial land which has been abandoned or repossessed by the Province from a veteran who has received assistance from the Director under the provisions of this Agreement may, within a period of two years first following the date of appraisal as aforesaid, and on the recommendation of the Advisory Committee, and with the approval of the Director, be allotted to another veteran under the terms of this Agreement provided, however, that financial assistance by the Director to such veteran shall be confined to an amount by which the sum of Two Thousand Three Hundred and Twenty Dollars (\$2,320.00) exceeds the amount already disbursed by the Director for improvements to the land concerned.

(3) Failing re-allocation of the land as provided by subclause (2) above, the Province agrees to pay to the Director the value of the improvements, or, failing which, to transfer to the Director the title to the land and all improve-

ments thereon, whereupon the Director shall have the right of sale at a price and under terms approved by the Minister. The proceeds of such sale as received by the Director shall be applied firstly, in payment of unpaid taxes lawfully levied against the land and improvements; secondly, in payment to the Director of the disbursements made by the Director for improvements; plus costs not exceeding Fifty Dollars (\$50.00) in affecting a sale of the land; thirdly, any balance remaining shall be assigned by the Director to the Province. If the Director fails, within a period of two years first following receipt of title from the Province, to effect a sale of the land, it shall be transferred back to the Province. Provided, however, that the Director may, at his discretion, extend the period during which the Province agrees to pay the Director for the improvements or transfer of title to the land to the Director as aforesaid, but such extension shall not be for a period in excess of twelve months.

(4) This clause shall apply, so far as the claims of the Director are concerned, only to such cases where abandonment of the land or cancellation of a veterans' agreement by the Province for cause occurs within ten years first following the date of the Veterans' agreement.

10. (1) It is further agreed that an appraisal of the land and improvements as provided by clause 8 of this Agreement shall be made where it appears to the Director or the Province that a Veteran, following a minimum of three years' occupancy of land under a lease agreement with the Province, is unable by reason of causes beyond his control to carry out the terms of his agreement.

(2) The Regional Committee shall consider the appraisal report and all the relevant circumstances and if, in the opinion of the Regional Committee, discontinuance of the Veterans' agreement with the Province shall result in the Veteran being in necessitous circumstances the Regional Committee may, subject to the provisions of sub-clause (2) of Clause 4 of this Agreement, recommend to the Province the basis upon which title to the land and improvements thereon may be granted by the Province for the purpose of facilitating a sale of the land and improvements by the Veteran.

The right, title and ownership of chattels supplied to a veteran from funds provided by the Director shall, unless released by the Director, be vested and remain in the Director for a period of ten years first following the date of the first disbursement. In the event of abandonment of the settlement enterprise by the Veteran or cancellation of his settlement agreement by the Province for cause, or of abuse or neglect of the chattels, the Director shall have the right of immediate re-possession and sale of such chattels and the retention of the proceeds.

12. When a veteran who has been established under the provisions of this Agreement dies, his rights acquired under the terms hereof shall devolve upon his heirs, devisees or personal representative pursuant to the law of the Province in which at the time of his death the property is situated, but subject to all rights, claims and charges of the Province and the Director respecting or affecting such property add to performance by such heirs, devisees or personal representative of all the obligations of the deceased veteran with respect to such property, and default on the part of such heir, devisee or personal representative with respect to any right, claim or charge of the Director or the Province shall have the same effect as would default on the part of the Veteran but for his death.

13. The Province agrees to provide the same qualified personnel to advise veterans established pursuant to the terms of this Agreement as is provided to advise other settlers in the district in matters pertaining to the improvement

or other development of land, in matters pertaining to field and animal husbandry and sound management practices relating to the type of enterprise upon which a Veteran may be established.

(1) The Province further agrees to furnish the Director with a concise report each year for a period of ten years or for such lesser period as a Veteran remains in occupation of the land, as to the progress being made by a Veteran, the condition of chattels in the possession of the Veteran which were purchased by the Director and, generally, as to such matters as have an important bearing on the welfare and success of the Veteran. The Province further agrees to advise the Director immediately it becomes known that the Veteran has abandoned his settlement enterprise, together with any information at the disposal of the Province which may assist the Director in locating and re-possessing the chattels which are the property of the Director.

(2) The Director agrees to bear part of the cost of an advisory and reporting service as aforesaid by payment to the Province of the sum of Ten Dollars (\$10.00) for each annual report submitted; provided, however, that the Director may at any time obtain a special report on any establishment at his own expense.

14. The disbursement of all grants to be made by the Director pursuant to the terms of this Agreement shall be made only on the approval of the Director or his representatives.

15. The settlement of Veterans under the provisions of this Agreement shall, so far as the Dominion is concerned, be subject to the provision of funds by Parliament.

In witness whereof the parties hereto have executed this Agreement this Fourteenth day of September, 1945, at the City of Ottawa, in the Province of Ontario.

Signed on behalf of the

Government of the Dominion

of Canada by.....

(Sgd.) Ian Mackenzie.

Minister of Veterans Affairs

In the presence of

James A. Macdonald.

Signed on behalf of the

Government of the Province

of Saskatchewan by.....

(Sgd) John H. Sturdy.

Minister of Reconstruction and Rehabilitation.

In the presence of

Gertrude McQuaid.

THE VETERANS' LAND ACT—HEAD OFFICE ANALYSIS OF APPLICATIONS FOR QUALIFICATION

FOR THE MONTH OF OCTOBER, 1945 AND FROM INCEPTION OF OPERATIONS TO DATE

OFFICE: HEAD OFFICE

Insert names of Regional Offices →	Vancouver	Edmonton	Saskatoon	Winnipeg	Toronto	Montreal	Saint John	Total
DURING MONTH								
1. Applications received.....	440	524	859	550	1,225	261	459	4,318
2. Applications dealt with	228	326	362	347	726	234	362	2,585
do (a) Original.....		3	2	6		2	13	26
do (b) Subsequent to Original.....								
TO DATE								
3. Applications Received.....	2,009	2,220	2,639	1,821	6,365	1,639	2,012	18,705
4. Applications dealt with	1,207	1,381	1,414	1,033	3,702	1,123	1,400	11,260
do (a) Original.....	16	10	11	14	7	40	36	134
5. Qualified without training.....	802	812	1,028	747	3,394	541	943	8,267
6. Qualified after training	2		5	3				10
do (a) with F.....								
do (b) with C.F.....								
7. Total qualified—Full Time Farming.....	136	522	891	396	708	132	323	3,108
8. do —Small Holdings.....	633	286	141	350	2,676	403	550	5,059
9. do —Commercial Fishing.....	15	4	1	4	10	6	70	110
10. Disqualified without training (a) with F.....	324	257	247	151	245	146	368	1,738
11. Disqualified after training (a) with F.....		1	1			1		3
do (b) with C.F.....								
12. Not yet qualified or disqualified.....	95	321	144	146	70	475	125	1,376
13. Qualification Certificates cancelled.....	41	20	16	23	172	11	47	330
TRAINING TO DATE								
14. Recommended for training (a) with F.....	18	16	43	58	30	12	18	195
do (b) with C.F.....								
15. In training at present (a) with F.....	6	8	22		5	6	1	48
do (b) with C.F.....								

NOTE:—The total of Sections 7 to 12 inclusive should equal Section 4. Training means gaining further experience with a practical Farmer (F) or Commercial Fisherman (C.F.). To be completed by District Offices from Regional Office returns at end of each calendar month, one copy sent to be to H.O., one to each R.O. and one retained on file.

For District Superintendent

SUMMARY OF LANDS APPRAISED AND PURCHASED

(INCLUDES LANDS PURCHASED FOR PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS) HEAD OFFICE AS AT OCT. 31, 1945

Offices—→	Vancouver	Edmonton	Saskatoon	Winnipeg	Toronto	Montreal	Saint John	Total
FULL TIME FARMING—								
1. Number of properties appraised.....	461	1,730	1,523	1,506	1,220	1,013	901	8,354
2. Number declined (low grade—price— or other reason).....	124	263	532	855	569	561	335	3,239
3. Number approved.....	285	826	802	839	458	194	470	3,874
4. Number actually purchased (title ob- tained).....	249	423	341	376	287	93	267	2,036
5. Total acreage purchased.....	15,671-99	126,507-49	114,861-00	100,057-68	47,825-62	9,025-00	39,191-25	453,140-03
6. Total purchase price..... \$	870,438 00	2,207,190 00	1,617,644 54	1,917,561 78	1,240,749 71	348,150 00	1,065,906 00	9,267,640 03
7. Average cost price per acre (including existing improvements)..... \$	55 54	17 44	14 03	19 11	25 94	37 00	27 19	20 45
8. Total acreage under cultivation.....	6,415-88	85,892-49	82,996-00	72,928-80	19,927-37	5,351-00	22,086-00	295,597-54
SMALL HOLDINGS—								
1. Number of properties appraised.....	1,251	205	85	136	1,286	358	405	3,726
2. Number declined (low grade—price— or other reason).....	283	14	4	39	295	103	76	814
3. Number approved.....	834	78	56	94	768	113	267	2,210
4. Number actually purchased (title ob- tained).....	749	49	29	96	432	42	175	1,572
5. Total acreage purchased.....	9,614-67	900-66	286-99	827-22	4,823-31	804-00	3,168-00	20,424-85
6. Total purchase price..... \$	1,522,484 43	202,585 00	38,623 50	265,529 03	1,670,844 80	232,071 90	374,142 09	4,306,280 65
7. Average cost price per acre (including existing improvements)..... \$	158 35	225 11	134 57	320 99	346 41	288 00	118 10	210 00
8. Total acreage under cultivation.....	5,589-04	808-78	45-20	568-62	3,740-25	304-00	1,136-25	12,392-14
COMMERCIAL FISHING—								
1. Number of properties appraised.....	7	2	.....	1	4	2	25	41
2. Number declined (low grade—price— or other reason).....	2	.....	.....	.....	.....	.....	1	3
3. Number approved.....	4	2	.....	1	4	.....	19	30
4. Number actually purchased (title ob- tained).....	3	2	.....	.....	3	.....	9	17
5. Total acreage purchased.....	18-56	10-90	.....	.....	50-00	.....	351-50	430-95
6. Total purchase price..... \$	5,500 00	1,350 00	.....	.....	8,700 00	.....	16,450 00	32,000 00
7. Average cost price per acre (including existing improvements)..... \$	296 33	122 72	.....	.....	174 00	.....	46 79	74 40
8. Total acreage under cultivation.....	5-53	10-16	.....	.....	50-00	.....	86-50	152-19

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O.; copy to each R.O. District Superintendent.....

THE VETERANS' LAND ACT—ANALYSIS OF APPLICATIONS FOR FINANCIAL ASSISTANCE
(INCLUSIVE OF LANDS SOLD FROM PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS)

FOR THE MONTH OF OCTOBER, 1945. HEAD OFFICE

Insert Names of Offices	→	Vancouver	Edmonton	Saskatoon	Winnipeg	Toronto	Montreal	Saint John	Total
1. No. of applications received by D.O.		13	92	114	63	117	12	67	478
2. No. declined		2		4		6		11	23
3. No. pending		8	56	79		95		3	241
4. No. approved (Section 9)		7	39	54	60	54	12	65	291
(a) Amount approved land and existing P.I.		25,845 00	142,670 00	201,404 45	263,615 51	212,579 55	39,400 00	178,680 66	1,084,195 17
(b) Amount approved P.I. to be effected		4,650 00	19,912 00	14,985 00	15,275 00	11,993 24	6,450 00	38,964 00	111,229 24
(c) Amount approved S. & E.		4,905 00	45,950 00	58,600 00	53,800 00	64,510 00	14,400 00	71,950 00	314,115 00
(d) Total acreage approved for sale		716.93	9,968.44	15,312.00	14,349.34	5,183.00	1,407.00	8,212.50	55,149.21
(e) Excess purchase price paid by veterans on land and P.I.		1,055 00	9,740 00	4,300 00	3,730 00	43,750 00		6,700 00	69,275 00
5. No. approved (Section 13)				1	3	1			5
(a) Amount approved Rem. of Enc.				2,200 00	4,800 00	2,700 00			9,700 00
(b) Amount approved P.I. to be effected						200 00			200 00
(c) Amount approved S. & E.				2,200 00	3,600 00	1,500 00			7,300 00
FROM INCEPTION OF OPERATIONS TO DATE									
1. No. of applications received by D.O.		65	228	305	166	423	27	209	1,423
2. No. declined		27	2	20	6	29		19	103
3. No. pending		8	56	116		164		75	419
4. No. approved (Section 9)		26	160	163	156	226	27	109	867
(a) Amount approved land and existing P.I.		93,869 56	509,807 35	591,995 60	673,701 21	860,212 05	100,200 00	297,910 66	3,127,696 43
(b) Amount approved P.I. to be effected		14,433 44	68,175 15	45,590 00	45,018 08	56,793 24	12,400 00	57,182 00	299,771 92
(c) Amount approved S. & E.		23,485 00	180,312 00	179,735 00	145,800 00	252,910 00	30,500 00	119,248 00	932,000 00
(d) Total acreage approved for sale		2,734.03	38,745.71	45,732.00	39,271.54	22,162.33	2,870.00	13,594.00	165,109.61
(e) Excess purchase price paid by veterans on land and P.I.		1,255 00	26,931 89	23,060 00	25,268 34	68,325 00	1,450 00	7,600 00	153,890 23
5. No. approved (Section 13)		4	10	6	3	4		6	34
(a) Amount approved Rem. of Enc.		8,186 00	15,654 78	2,740 00	4,800 00	6,400 00		3,889 00	41,669 78
(b) Amount approved P.I. to be effected		2,415 00	2,061 33	1,000 00		1,795 00		1,525 00	8,796 33
(c) Amount approved S. & E.		3,279 00	13,593 89	6,760 00	4,800 00	2,250 00		4,406 00	35,28 88

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O.; copy to each R.O. District Superintendent.

THE VETERANS' LAND ACT—ANALYSIS OF APPLICATIONS FOR FINANCIAL ASSISTANCE
(INCLUSIVE OF LANDS SOLD FROM PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS)

FOR THE MONTH OF OCTOBER, 1945. HEAD OFFICE

Insert Names of Offices →	Vancouver	Edmonton	Saskatoon	Winnipeg	Toronto	Montreal	Saint John	Total
1. No. of applications received by D.O.....	48	14	10	44	172	11	50	349
2. No. declined.....	7	.....	1	.....	19	.....	7	34
3. No. pending.....	24	6	4	.....	127	.....	3	164
4. No. approved (Section 9).....	30	7	6	44	100	11	60	258
(a) Amount approved land and existing P.I..... \$	79,472 00	19,350 00	13,300 00	120,203 00	278,590 99	28,003 00	110,745 00	649,663 99
(b) Amount approved P.I. to be effected..... \$	7,589 00	3,625 00	9,170 90	67,030 00	139,236 00	19,147 00	111,230 00	357,027 00
(c) Amount approved S. & E..... \$	10,476 00	1,900 00	2,155 00	13,035 00	49,248 50	5,100 00	15,990 00	97,904 50
(d) Total acreage approved for sale.....	70.63	24.84	9.83	305.47	518.29	37.00	413.50	1,379.56
(e) Excess purchase price paid by veterans on land & P.I..... \$	.....	200 00	700 00	.....	10,644 45	400 00	.....	11,944 45
5. No. approved (Section 13).....	.....	.....	.....	.....	.....	.....	.....	.....
(a) Amount approved Rem. of Enc..... \$	.....	.....	.....	.....	.....	.....	.....	.....
(b) Amount approved P.I. to be effected..... \$	.....	.....	.....	.....	.....	.....	.....	.....
(c) Amount approved S. & E..... \$	.....	.....	.....	.....	.....	.....	.....	.....
From INCEPTION OF OPERATIONS to DATE								
1. No. of applications by D.O.....	285	66	35	128	887	36	244	1,661
2. No. declined.....	89	2	2	5	73	.....	13	184
3. No. pending.....	28	6	7	.....	266	.....	102	409
4. No. approved (Section 9).....	147	57	26	122	547	36	127	1,062
(a) Amount approved land and existing P.I..... \$	457,132 00	192,770 00	44,455 45	321,127 48	1,587,871 87	122,803 00	270,620 00	2,996,779 80
(b) Amount approved P.I. to be effected..... \$	47,364 00	30,299 00	40,422 50	160,617 34	669,884 75	37,276 00	166,942 73	1,152,806 32
(c) Amount approved S. & E..... \$	50,036 00	14,872 50	8,037 00	39,935 00	229,483 87	17,417 50	29,115 00	388,896 87
(d) Total acreage approved for sale.....	525.85	220.69	77.01	674.86	3,197.69	152.00	1,254.25	6,102.35
(e) Excess purchase price paid by veterans on land & P.I..... \$	1,550 00	5,075 00	700 00	4,330 00	71,019 45	1,900 00	4,750 00	89,324 45
5. No. approved (Section 13).....	1	.....	.....	1	1	.....	2	5
(a) Amount approved Rem. of Enc..... \$	650 00	.....	.....	.....	1,905 00	.....	4,250 00	6,805 00
(b) Amount approved P.I. to be effected..... \$	.....	.....	.....	1,200 00	.....	.....	1,500 00	2,900 00
(c) Amount approved S. & E..... \$	90 00	.....	.....	.....	.....	.....	.....	90 00

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O.; copy to each R.O. District Superintendent.....

COMMERCIAL FISHING

THE VETERANS' LAND ACT—ANALYSIS OF APPLICATIONS FOR FINANCIAL ASSISTANCE
(INCLUSIVE OF LANDS SOLD FROM PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS)

FOR THE MONTH OF OCTOBER, 1945. HEAD OFFICE

Insert Names of Offices —→	Vancouver	Edmonton	Saskatoon	Winnipeg	Toronto	Montreal	Saint John	Total
1. No. of applications received by D.O.	1		Nil	1		Nil	17	19
2. No. declined	1		Nil			Nil	1	1
3. No. pending			Nil			Nil	8	8
4. No. approved (Section 9)			Nil	1		Nil	10	11
(a) Amount approved land and existing P.I.								
(b) Amount approved P.I. to be effected			Nil	100 00		Nil	8,365 00	8,465 00
(c) Amount approved S. & E.								
(d) Total acreage approved for sale			Nil	2,500 00		Nil	14,110 00	16,610 00
(e) Excess purchase price paid by veterans on land and P.I.			Nil	1,200 00		Nil	10,950 00	12,150 00
5. No. approved (Section 13)			Nil	1		Nil	117.75	118.75
(a) Amount approved Rem. of Enc.			Nil			Nil		
(b) Amount approved P.I. to be effected			Nil			Nil		
(c) Amount approved S. & E.			Nil			Nil		
FROM INCEPTION OF OPERATIONS TO DATE								
1. No. of applications received by D.O.	6	2	Nil	3	5	Nil	29	45
2. No. declined	2		Nil			Nil	2	2
3. No. pending			Nil		1	Nil	14	15
4. No. approved (Section 9)	4	2	Nil	3	4	Nil	15	28
(a) Amount approved land and existing P.I.								
(b) Amount approved P.I. to be effected	6,450 00	250 00	Nil	800 00	9,100 00	Nil	12,515 00	29,115 00
(c) Amount approved S. & E.								
(d) Total acreage approved for sale		2,950 00	Nil	5,000 00	5,000 00	Nil	17,720 00	30,670 00
(e) Excess purchase price paid by veterans on land and P.I.	4,025 00	1,450 00	Nil	3,600 00	4,800 00	Nil	16,650 00	30,525 00
5. No. approved (Section 13)	19-52	10-90	Nil	147-00	50-50	Nil	355-25	583-17
(a) Amount approved Rem. of Enc.			Nil			Nil		
(b) Amount approved P.I. to be effected			Nil			Nil		
(c) Amount approved S. & E.			Nil			Nil		

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O.; copy to each R.O. District Superintendent.

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*Canadian Veterans Affairs
Expense Claim, 1945*

SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 18

TUESDAY, NOVEMBER 13, 1945

WITNESS:

Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF PROCEEDINGS

TUESDAY, November 13, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Bruce, Cockeram, Croll, Dion (*Lake St. John-Roberval*), Emerson, Gauthier (*Portneuf*), Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Kidd, Lapointe, Mackenzie, McKay, Merritt, Moore, Mutch, Probe, Quelch, Ross (*Souris*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winkler, Winters, Wright.

In attendance: Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

Examination of Mr. Murchison was resumed.

Mr. Murchison filed a breakdown of the Construction Schedule for the year 1945 under the Small Holdings section of the Veterans' Land Act, 1942, which is printed as Exhibit "A" to this day's minutes of evidence.

At 12.40 o'clock p.m., the Committee adjourned to meet again on Thursday, November 15, at 10.30 o'clock, a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 13, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Mr. Murchison will continue answering the questions of the committee.

Mr. GORDON MURCHISON, Director, Soldier Settlement and Veterans' Land Act, *recalled*:

The CHAIRMAN: Have you the answers to Mr. Cruickshank's questions, Mr. Murchison?

Mr. MUTCH: Had you not better wait until Mr. Cruickshank is here?

The CHAIRMAN: Perhaps we had better wait until he comes in. There are one or two questions I had in mind to ask. One has to do with the veteran who has a good contract, and would have no difficulty in meeting it if he lived; but once in a while, unfortunately, he dies. That leaves the widow and children in some difficulty in completing the contract. The suggestion has been made to me that as part of the cost of the set-up the veteran be required to take out life insurance in the Veterans' Insurance Act to the extent of sufficient to recover the repayment of his contract in the event of death. I wonder if you could give us your idea as to the feasibility of that and what the extra cost would be?

The WITNESS: Mr. Chairman and gentlemen, that is a proposal that has been tentatively put forward a few times in the past. I can see nothing wrong with the idea, although quite frankly I do not know that I am altogether in favour of making it a condition, in the establishment of a veteran, that he should take out life insurance in the amount required to cover his contract and to write into the terms of his settlement agreement the cost of the premiums with respect to that insurance policy. That seems to me to be rather drastic. At the same time it does contain protective elements which are very attractive. I would be quite prepared, so far as the administration is concerned, to consider that suggestion in collaboration with the branch of the department administering returned soldiers' insurance and explore ways and means to bring it into effect.

I think also we should endeavour to get the reaction of a fair cross-section of the veterans who would be concerned in this thing. After all, Mr. Chairman, we are dealing with quite a wide cross-section of the veteran body; and while I am speaking without detailed knowledge, it seems to me that quite a number of these veterans may have insurance with line companies, which has been in force for quite some time, up to the amount that they feel they should carry and may not be interested at the moment in taking out additional insurance under the Veterans' Insurance Act. I do think, however, that it is a subject that could usefully be explored.

By The Chairman:

Q. I have just one other question. You did not give us the figures yesterday as to the amount of building that had been done by your branch in regard to veterans' housing.—A. Mr. Chairman, that is quite a big subject. It is probably one of the most difficult aspects of our whole administration.

Its origin was found in a survey, made immediately after the Act was brought into force, to determine the general area of interest on the part of men in the service in securing what we might term "decent housing" under the small holding plan and also a fairly keen appreciation of the difficulties confronting many veterans' families throughout Canada in regard to housing. We were in a rather unique position in that regard in that we have been identified, ever since 1940, with the administration of the Dependents' Allowance Act. Under those arrangements we have set up, in addition to our permanent staff, 1,400 reporting agencies across Canada dealing with applications for dependents' allowances. The result of our work under that heading brought us a realization that this housing problem was a very serious one, and that immediately following the cessation of hostilities some courageous action would have to be taken so far as it might be within our powers and within the four corners of the Veterans' Land Act to do something about it.

The first step taken was in 1944, in bringing the situation to the attention of government with a recommendation that the director be empowered then to enter into contracts to secure approximately 25,000,000 feet of lumber, with the thought in mind that such lumber would be stored so that when building operations would commence in the spring of 1945 we would have a reasonable supply of seasoned lumber. At the time these arrangements were made, Mr. Chairman, I think every one appreciates that the great bulk of our building material was being diverted to war uses and that mostly green, unseasoned lumber was available for new house construction. So we made these recommendations to government which were approved, and action was taken with as little delay as possible to tie up approximately 25,000,000 feet of lumber strategically located across the dominion, so that we could make definite plans to commence a building program in the spring of 1945 on small holdings. I might say, Mr. Chairman, that the planning for this housing program and its carrying out has not been an easy undertaking by any means.

By Mr. Brooks:

Q. Might I ask a question there? How much of the 25,000,000 feet of lumber were you successful in obtaining or in setting apart for this work?—A. Approximately 23,500,000 feet. As to the distribution of the housing program, that of course had to be decided arbitrarily by the administration, basing its estimates on what were deemed to be the areas of greatest need and proceeding accordingly. You will understand, I am sure, that in order to organize a program of that magnitude we had to proceed mainly on the assumption of need, that we could not wait to organize that program on the basis of a specific application by a veteran in the case of every house. That would have delayed things rather seriously. However, the program was gotten under way in the spring of this year; and although we have had quite a few headaches and some disappointments, particularly in regard to the supply of efficient labour, we have made fairly substantial progress. Factors over which we had no control made it impossible for us to launch that program as early in the spring of 1945 as we would have wished. However, according to the latest information I have from my construction engineer, 709 of those houses should be ready by the 31st of December; 834 by February 15; 710 by March 31 next; and 466 by May 31. That accounts for a total of 2,719. There are, in addition to those, approximately 300 widely dispersed single units that are under way at the present time and which will be completed at varying dates.

By Mr. Wright:

Q. Could you give the regional location of those houses?—A. Yes. I was just going to do that, Mr. Wright. I can give it to you first by provinces and then break it down within those figures: British Columbia, 600; Alberta,

280; Saskatchewan, 80; Manitoba, 255; Ontario, 1,142; Quebec, 187; the maritime provinces, 175. That accounts for 2,719 which makes up the great bulk of the program.

Mr. EMMERSON: Mr. Chairman, I thought Mr. Murchison was going to break it down by provinces.

The CHAIRMAN: They still claim that there are three maritime provinces, Mr. Murchison.

The WITNESS: I will endeavour to give you that too, sir. I have not got it precisely as the member requests, but probably these figures will give you the main part of the answer. Dealing with the maritimes by locations: Campbellton, 5; Bathurst, 5; Newcastle, 5; Edmundston, 10; Woodstock, 5; Fredericton, 10; Sussex, 10; Hampton, 5; Moncton, 20; Sackville, 5; Amherst, 10; Springhill, 5. Then going over to Nova Scotia: Truro, 15; New Glasgow, 10—

Mr. BROOKS: You are over there.

The WITNESS: Kentville, 5; Windsor, 5; Middleton, 5; Lunenburg, 5; Yarmouth, 5. Prince Edward Island: Charlottetown, 10; Summerside, 5.

By Mr. Emmerson:

Q. Is that the number of houses that have been completed?—A. Those are the houses that are included in the 1945 general housing program.

Q. You left out one. You did not mention Moncton.—A. I thought I had mentioned that, sir.

Mr. BROOKS: You mentioned Sackville.

The WITNESS: I will add that one in. I know what it is. Moncton is 20.

By Mr. Winters:

Q. What does that mean? Does that mean applications have been submitted for those houses?—A. No. Those mean houses that were scheduled in the various districts and construction has proceeded on the general assumption of need in those districts.

By Mr. Brooks:

Q. That has reference to small holdings?—A. That is small holdings.

Q. It has nothing to do with farms at all?—A. No.

By Mr. Wright:

Q. How do you decide as to the number of houses you are building in any given area? Is it taken from the number of applications that are coming in to you from the various areas or what do you use as a guide?—A. We had rather rough figures from the services as to the number of enlistments which originated in these various centres, and that factor plus reasonable distribution across the country were the main tests we used in deciding on these locations as to where these houses would be built. We realized that in no case would it meet the potential demand that was building up; but it was felt that a program of approximately 3,000 units dispersed across the dominion was all that we could successfully undertake in 1945, having regard to the amount of materials available and labour. We also wanted to test out our own organization, if I may put it that way. After all, the construction of 3,000 homes is quite an undertaking.

By Mr. Brooks:

Q. How many of these houses have been completed?—A. At the moment, the first group of 10 near New Westminster; that is the first group that has really been disposed of.

By Mr. Wright:

Q. Using the factors which you have just mentioned, the number of enlistments and the need of housing, as the basis for your distribution, I just cannot see the picture as you see it. I do not like to be local in this thing, but you have 80 under construction in Saskatchewan, but over 200 in Alberta and Manitoba. I think our enlistments are higher in Saskatchewan and the need just as great. I should like some explanation of that.—A. The only explanation I can give you, Mr. Wright, is that there had not been, up to the time that this program was scheduled, the degree of interest in the small holding idea developed in the province of Saskatchewan that was noticeable elsewhere. There are also local factors which entered into the picture in Saskatchewan. For instance, there was this situation; for a time the city of Saskatoon itself did not lean very kindly towards the idea of a veteran, established on a small holding probably outside the corporate limits of the city, being employed in the city. There is also a rather serious difficulty in construction close in to Regina because of sewage disposal and water supply.

By Mr. Probe:

Q. What about your selection of land there in the Regina case? Was that the best location, in your opinion?—A. Well, I am taking the judgment of the people on the ground that it was the best location they could get.

By Mr. McKay:

Q. What cities in Saskatchewan have accepted the principle of low taxation for veterans homes? I understand Moose Jaw has.—A. I believe Moose Jaw, North Battleford, Prince Albert and Saskatoon, with Yorkton and Melville under negotiation.

Q. There is nothing from Weyburn or Yorkton?—A. With regard to Yorkton, I say yes, I believe there are negotiations going on with Yorkton but nothing with Weyburn, to my knowledge.

Q. You have not had any satisfaction from Regina actually yet?—A. Not altogether satisfactory, no.

Mr. BENTLEY: You will leave out Swift Current.

The WITNESS: What is that?

Mr. BENTLEY: I say he will leave out Swift Current in his query.

By Mr. Cockram:

Q. Is the cost of these houses uniform?—A. Reasonably so; although there are regional differences in cost. These differences are represented in the different costs in material, different labour rates and variations in the efficiency of building labour.

Q. What is the average maximum and minimum cost?—A. I would prefer not to give an estimate on that until a larger number of houses are nearer completion. I can tell you, however, on the first ten which were completed near New Westminster what the actual costs were, if you will give me a moment to locate the schedule. Of the first ten completed near New Westminster the average cost—this includes land, roads, water system, heating installation, light and power services—was \$4,582.90 per house.

Q. Are they all being built by contract?—A. Yes, sir.

By Mr. Wright:

Q. What size house is that, a two-bedroom house, or three-bedroom house?—A. Anticipating a question like that I brought along the floor plan and perspective of a sample of the houses which are being built within that range. Probably if that sample were passed around among the members it would give a better idea than any word description of mine.

By the Chairman:

Q. Perhaps for the record, Mr. Murchison, you might give the number of rooms just so it will go on the record.—A. This sample—

By Mr. Cockeram:

Q. This is the New Westminster one?—A. Yes. This sample consists of a combination dining and living room, kitchen, bathroom and two bedrooms.

Q. A basement?—A. There is no basement under the houses we are building near New Westminster.

By Mr. Brooks:

Q. That is one point I was going to ask. Would that type of house you are building for \$4,582 in New Westminster do in the bitterly cold prairies or down in the province of New Brunswick?—A. Yes.

Q. Where it often is 30 or 40 degrees below zero?—A. Yes, that is a fully insulated house.

Q. But you have no basement under it and no provision for a furnace?—A. There is a concrete foundation and there is space for a heating unit.

Q. Does the \$4,500 include the heating unit?—A. Yes.

Q. But it is not there?—A. But the allowance is there for it.

By the Chairman:

Q. What kind of a heating unit?—A. A pipeless furnace or heating unit that can be set up in an alcove in the building itself on the main floor of the house.

Mr. PROBE: Mr. Chairman, I should like to make a few observations at this stage and ask Mr. Murchison a number of questions. I have seen a book of plans of these small holding houses. They seem quite modern and they look attractive. I have also seen a number of houses in the process of construction. I have my own opinions as to the efficiency of building in some cases, but that is a personal matter. I cannot verify that but, for example, on Carling Avenue in Ottawa there was an accident happened with respect to one of the houses. As a result of that I asked a question regarding the mortar content used in the foundation. The answer given by the Minister of Veterans Affairs to my question with respect to the strength of the mortar content was not in keeping with the particular specimen of concrete which I had analyzed. The concrete was considered to be inferior material on the analysis. I should have brought the analyst's report to put in the records.

By Mr. Probe:

Q. The questions I should like to ask Mr. Murchison are these. On September 1 there were 11,000 odd applications for holdings of various types under the Veterans' Land Act, and some 800 odd had been approved at that time. They were not all small holdings, of course, but what I should like to know from Mr. Murchison is whether he is using the veteran's requirements solely as the yardstick for deciding that a contract can reasonably be entered into, or is he unduly rigorous in weighing the merits of the prospective purchaser of the small holding? It seems to me that the percentage of concurred in applications is unduly low.—A. First of all I should say that regardless of how generous minded we may feel as individuals we are still responsible for the administration of a plan which calls for the repayment of a substantial amount of money, and we must apply certain credit tests in the conduct of this business the same as any other business. At that, however, I do not think our tests along that line are as severe as would be the case normally, for instance, if a veteran was endeavouring to secure a housing loan through one of our corporate lending institutions. I think there is also something to be said in reply to the question you have put along this line that prior to the expiration of hostilities,

and even up to the present time, we have been under very considerable pressure by service men whose need is not questioned as to housing, but we felt that a responsibility rested on the administration to do what we could toward giving the boys who were still in the service a little better opportunity to get back and begin to participate. I say quite frankly that controls were exercised along those lines. Otherwise with the limited amount of building material and labour available had we not exercised those controls I am rather fearful we would have been committed to the establishment of an unfair percentage of men with very limited service in relation to those whose service was considerably more extensive.

Q. According to the Veterans' Land Act the yardstick really was a combination of two things. The first was reliability. Of course, we all concur in that, and there must be a generous evaluation of that. The other was establishment in what looked like some form of permanent employment. That, of course, is a variable which even Mr. Murchison could not weigh very accurately. I think that there again we would have to lean backwards in favour of the veteran. Beyond that the fact that a man is discharged before somebody else should be no hindrance to him being immediately rehabilitated because if your plan is working now then as others come along for discharge and rehabilitation it seems to me you should expand the machinery to look after them. That is the answer, the expansion of the machinery to look after them, and through the minister making arrangements for the necessary supplies to re-establish them. I think your foresight is excellent in having provided material for 3,000 small holdings but you have not completed very many of those houses if you have only disposed of ten of the 3,000 up to now. You must agree with that?—A. I fully agree with that but you will appreciate, too, that the actual construction over the main project did not get under way until late in the month of May or in June and it requires a period of a few months to build houses.

Q. That is so.—A. We have constantly—maybe I should not use the word "constantly", but until very recently we have been fully aware that our various contractors across the country have had difficulty in securing adequate efficient labour.

Q. In the case of Calgary and Edmonton I am given to understand you have entered into a contract whereby a small holding actually is established within what are the rather generous city limits there. You are in a low taxation area by virtue of the fact you are well to the outskirts of a very ambitious city planning scheme of some years ago. Can that plan be extended to the case of other cities? Can the idea of the small holding be extended to the outskirts of other cities well within the city limits but reducing that one-half acre requirement for the building site itself? Do you feel that is impractical?—A. That is very definitely coming into the area of urban housing. If we were to attempt that type of establishment under the Veterans' Land Act as presently constituted it would certainly be outside the letter and certainly the spirit in that regard.

Mr. Mutch: It would quickly become the biggest part of your business.

By Mr. Probe:

Q. As the director of the department would you consider it a fair recommendation to make to the minister to increase the advantages to a veteran who felt unable to move from his work some considerable distance from the heart of the city? As you know at the present time a man who wants to take advantage of the National Housing Act is authorized by the Minister of Veterans Affairs to use his re-establishment credit only as a means of getting established in so far as the department is concerned. Would you consider it fair to bring that man up nearer the level of allowance that you concede to the man who is on a small holding?—A. Mr. Chairman and Mr. Minister, the only answer

I can give to that question is that it is entirely within the scope of government policy, and I do not think it is competent for me to make any reply to a question of that kind before this committee.

Q. I have one more question with respect to the applications which are now in and which no doubt exceed the number of building units which you have prepared. Would you indicate the basis on which you are going to allot the buildings already constructed in terms of the applications that are before you?—A. I was rather hoping that question would not be asked for a week or two. That has always been recognized as quite a difficult problem because the administration is placed somewhat in the same position as Solomon. A good deal of study has been given to it. We are endeavouring to work out a formula which will contain the tests of financial responsibility, or prospects to comply with the terms of an agreement, and also to take into account the sphere of service of the veteran concerned and his particular need. I think we have to work along those lines because the question of housing is so acute in practically every community where these homes have been built that we must make some rather arbitrary decisions as to how they are going to be distributed. We run into a number of very perplexing problems along those lines. For instance, we have the married veteran who served in England only, who has two or three children and whose need is very great. He may have one child farmed out with the in-laws and the rest of them may be living in two rooms in an attic. As compared to that you have another veteran who served for three months in France who has no children but whose sphere of service is probably superior to the first man and whose need is also great. He has not got a place to live in at all. All I can say is that the administration is endeavouring fairly to meet this problem as best it can although I realize that regardless of what formula may be used in allocating these houses we are not going to be able to please everyone. We are going to be damned anyway so I think all we can do is use our best judgment.

Q. Why not use a date stamp in deciding that? You do not think that is fair?—A. That is not a good test.

Mr. Mutch: You have got to take children into consideration. There are a dozen things you have to take into consideration. Solomon had it easy compared to that.

Mr. HERRIDGE: I wish to make an observation and to ask Mr. Murchison a question or two. I do not think anyone can accuse me of using my talking coupons to the limit.

Mr. Brooks: We will reserve judgment on that.

Mr. HERRIDGE: Not to date, anyway. In recent months I have run into quite a number of small pensioners and other veterans travelling around British Columbia. I think it is admitted that a greater number of people have returned to British Columbia in proportion to enlistments than to any other province because of climatic conditions. In the last two or three months I have met some twenty-five or thirty veterans who were travelling around the interior of British Columbia seeking locations. Strangely enough most of these veterans came from the province of Saskatchewan and were leaving that province because of the climatic conditions, which is reasonable. In one case one had received information that there was a good location to be obtained at a certain point. He had spent his money to go to that point which was nine miles from the railroad without facilities and conveniences. There he hoped to establish a small poultry farm. I happened to meet this man and told him the facts. He had been entirely misinformed in Calgary. I directed him to a good location and now he is very satisfactorily settled. My point is that in the interior of British Columbia we have a lot of small unorganized towns. They are under the direction of the provincial government. These towns were surveyed many years

ago, some of them forty and forty-five years ago. In these towns or surrounding these towns are large numbers of properties still held in the name of the Crown. I think that the Veterans' Land Act administration should have knowledge of all these locations within a certain district. I think they are overlooking the possibilities for the development of small holdings in these smaller places where men with possibly high disability pensions would be quite content and willing to settle. In fact, these locations are attractive to many men of that type. I think the administration should have complete information regarding all these properties which are available. I am speaking for my own district. I only try to speak of things of which I have knowledge. Then these men could be directed to the Veterans' Land Act administration and the officials there could say, "Here are certain properties; here are the conditions in this little town and that little town", and so on. They could be directed to very suitable locations without the loss of time and running around which is caused by the present situation.

By Mr. Herridge:

Q. I should like to ask Mr. Murchison one or two questions. Would you say that the small rural town or rural district offers attractive possibilities and would be suitable for the settlement of pensioners with high disability under the small holding scheme?—A. I believe the scheme is made to measure to fit that type of case.

Q. Do you think that the administration has taken advantage to the full of the possibilities in that direction because of the greater ease with which even building can be carried on in small localities? For instance, in my own district there are sawmills, materials are available, and the problem is not as acute as it is in the larger centres.—A. Certainly we have not developed that type of settlement to anything like its potential but it is very definitely in mind. Thus far it has been a matter of building up an adequate staff to deal with that very type of thing, not only in the smaller centres of British Columbia but pretty well all over the Dominion of Canada. The attention of our limited staff, thus far, has been directed towards the more emergent type of housing with which we have been confronted. But during our recent tour of the dominion offices, I urged upon our responsible administrators to begin now to carry this idea of sound small holding establishments out into the smaller centres throughout the country. That, however, is going to take a little time to develop; but I certainly think it is along sound lines.

Q. I would bring to your attention another aspect of the situation. Mr. Murchison. There has been a tremendous turnover in the sale of land during the last year, especially, in my own district. Many people do not realize the possibilities of these desirable locations. Dozens and dozens of parcels of land have been sold to emigrants during the last year or so that would have done well for veterans. I am interested to see that our veterans secure these choice locations before they fast disappear. Would you say it would be proper to take some action now to preserve these locations for the veterans who will be wanting them in the near future?—A. We started out in 1943 along those very lines, although we realized that it would be quite impracticable, during the midst of a great war to go beyond a certain point in buying outright large amounts of potentially suitable property all over the Dominion of Canada. It is not just a matter of buying such property and paying for it. It is also a problem to administer that property after you have bought it until some veteran comes along and expresses an interest in settling on that property. I concede that in the West Kootenay district our purchases of property of the type you refer to were very limited indeed. But, on the whole, the amount of property we acquired in British Columbia in areas of greatest immediate need run to a very substantial amount. For instance, in the Fraser Valley it is generally known now that approximately

thirty per cent of the inquiries we receive originate from men who did not derive from that area before the war. In other words, they are coming into the province from outside points. Also, we had to appreciate that probably seventy-five per cent of the total enlistments from the province of British Columbia originated within a radius of fifty miles of the city of Vancouver. So again, Mr. Chairman, it was a matter of using our best judgment and endeavour to do first things first.

Q. A further suggestion I would offer is this. Many of these properties of which I speak are still held in the name of the Crown in these small organized towns—and there are a good many of them. Could not your department request the provincial government to reserve certain blocks of land for the use of your department when required, rather than to have them pass into other hands at this time?—A. Negotiations have been going on with the province of British Columbia over quite a period, first, in connection with the proposal of the province to turn over one million acres of land to the administration of the Veterans' Land Act for settlement purposes on the basis of development in advance of actual settlement. That idea was not found to be very feasible.

At the present time negotiations are under way with the province for an agreement for the settlement of veterans on provincial land under the amendment to section 35, which was arranged by order in council last spring and which is a substantive amendment appearing among the amendments now before the committee. I realize quite well that there are scattered properties throughout British Columbia of the type of which the member speaks. But British Columbia is a rather vast country, and any attempt on our part to seek out all these individual parcels would be quite an undertaking. But we do look to the Department of Lands in the province of British Columbia to let us have a list showing the identity of these various parcels and we try to include them in our arrangements for the settlement of veterans under section 35, which provides for a grant of \$2,320, with no repayable debt; or, it may be under section 9 of the Act, where a man is assisted right up to the maximum provided under that section. I can assure the member that we have that suggestion in mind and that we will proceed with it along those lines just as rapidly as we are able, and to establish the identity of the lands concerned through the Department of Lands in the province of British Columbia. I might say that a suggestion has been put forward that we consider taking over the lands now held by the Sons of Freedom in the Brilliant district. I have no objection to doing that provided some one else will get rid of the Doukhobors.

By the Chairman:

Q. Would it be fair to say that, if any member such as Mr. Herridge knew of an ideal spot for you to undertake to do some development work, you would investigate it?—A. Certainly, sir.

Mr. HERRIDGE: I have drawn the attention of local officials to certain properties and their locations, and I think they were quite willing to get the would investigate it?—A. Certainly, sir.

By Mr. McKay:

Q. We quite appreciate that there is considerable difficulty in getting labour and materials to build these veterans homes. Have you explored the possibility of prefabricated homes, where very little labour is required for the erection of small dwellings? I understand that there are three organizations in the dominion making such homes. What has your department done in the way of looking over such a possibility?—A. I have looked at a sample house being produced at the present time by Fairchild Aircraft, near the city of Montreal. The house is attractive and is fully prefabricated as a unit, but it is of a design which is probably a bit radical as compared to the conventional design to which Canadians generally are accustomed. It is not the design of a house which, in my

opinion, the average approving authority would like to see set up in substantial numbers. It would fit in, probably, in scattered patterns. The price, I think, is fully up to its value. We have bought one of them which I think we shipped to the Lake St. John area in the province of Quebec. The purchase price of the house was \$2,900, f.o.b. factory.

Q. What do you consider to be radical about the design? There seems to be quite an economy of floor space in that particular building. I have seen it.—A. I would say that it departs from the conventional design to which Canadians are accustomed. First of all, it has a flat roof. It is pretty hard to convince people in a country where there is a snowfall of one hundred inches that a flat roof is a good idea. I think the construction of the house is good, because it is built by a responsible firm. But I do not think that veterans should be used as guinea pigs for the introduction of new types of construction in this country. I am prepared to play along, but I would first like to see more non-veterans showing an interest by their purchase of such houses.

Q. Is that your only objection, the fact that these houses have flat roofs? Of course we could always put them in Saskatchewan where it never rains or snows?—A. I have looked into another type of prefabricated dwelling which is developed, almost entirely, out of plywood. I am advised that, from an engineering standpoint, it is perfectly sound. But there, again, they have perfectly flat roofs. I do know of certain areas where housing is very scarce, where these houses would not be permitted under existing building codes. That is a matter which I think will have to be overcome. I have suggested to the firm developing that particular type of unit that they might give some thought to the development of prefabricated plywood panels, which would fit in with more conventional designs of housing. There is also another type of prefabrication which we have examined. It runs, mainly, to precision-cut frames, rather than to complete prefabrication of the whole unit.

Q. You are referring to the Aladin house?—A. No. A concern introduced it from the United States within the last three or four months. All these things are very good in their way; but they must, of course, be placed having in mind the possibility of ready access to the necessary materials. All this type of construction must be made with dry kiln material; otherwise you will get into difficulty. I myself think there is a future for prefabricated houses, and certainly in the field represented by veterans in the really low income groups which, after all, are entitled to a fair break in housing. I think that any proper research organization could deal with that problem and a solution could be made in that way. Such houses could be constructed at lower cost than the conventional type of construction.

Q. I think quite a lot has already been done in this direction. I am interested in prefabricated houses, not financially, of course, but because I have been contemplating building one myself. If the suggestion were to be advanced to the concerns that are building these houses that their designs are too radical for your purpose, I think you would find that such concerns would co-operate with you and change that design. If it is only a matter of a roof, I do not think there would be much difficulty there. I will not pursue that topic any further; but I should like to ask of Mr. Murchison with respect to the veterans who are applying for single units, and who are outside of the projects such as we have out on Carling avenue in Ottawa. That is the only one of its type I have seen. Do these veterans who apply for single units get the same consideration as those who are to be connected with a project?—A. No, they do not get the same consideration; not because we oppose it but because of the controls and distribution of essential building materials up to those points. I have taken that matter up with my responsible superintendents across the country with a view to encouraging that type of thing to the maximum extent. We are hopeful that the supply situation in 1946 will be considerably better than it has been thus far. But in wide areas

of the country we have found that there is a very great scarcity of suitable building materials in store by the smaller lumber yards. Those stocks will have to be built up so that we can give more encouragement to the individual to work out his own program; and negotiations will have to be carried on with local builders to participate in the mass construction of houses on such a basis whereby the department can finance them, and that sort of thing, on a progress basis. As I say, the program that we scheduled in 1945, and our main program, consisted for the most part in fairly large concentrations. I do not like the idea of large concentrations, but it was the only practical alternative left open to us at the time; and in the scheduling of materials and in the letting of contracts our problem was much simpler than if we had attempted to proceed on the basis of single unit construction with a number of contractors all engaged on the same piece of acreage.

By Mr. Mutch:

Q. Would it be fair to say that the department does not look with favour upon the creation, in fact, of veterans villages as a matter of policy, but that you have been more or less forced into that type of community housing?—

A. There are quite a number of factors contributing to it. First of all, there is the very great difficulty which confronts both the administration and the veterans alike in towns with congested population in acquiring two, three, or ten acres here, or three or four acres somewhere else.

Q. I am not so much concerned with that but more with half acres and with acres. I think we are handicapping the rehabilitation of veterans to a degree when we hive them, because that is what is happening. I am fearful that, with the best intentions in the world, the pressure of circumstances and the fact of shortages may cause us to foster a class of professional veterans which I do not think is desirable in this or any other country. I think it is much more valuable to have them come back into the community life of this country as quickly as it may be possible, as a part of that community. I know what the tendency will be. It will be that of grouping these people, although with the best intentions in the world. I do not think it is in their own interest. I know that sometimes when those people come back they tend to stick together because they feel that they have a community of interest with each other which they have not got with the outside community; for instance in the case of men who have been a long time away from home. But I am a bit fearful of what will happen if that thing is carried much farther, because the general effect on the veteran himself and on his family is going to be disadvantageous. I believe that is something that we should seriously consider. I do not like it.

MR. WRIGHT: I am heartily in accord with what Mr. Mutch has said. I know that the department has been faced with the situation of getting something immediate, but I would be very much opposed to thus settling them in too large groups. We have had a house referred to, out in New Westminster, British Columbia, the construction of which cost \$4,582. I might say that that house can be constructed in any small town in Canada where the veteran coming back does part of the work himself for just about one-half of what the cost is to the veteran under this present scheme.

MR. MUTCH: About \$2,800.

MR. WRIGHT: I am positive that, in five years from now, these houses will probably be on the market for \$3,000 or less, and the veteran will have lost his complete equity that the government may have given, and will have lost his gratuity and his rehabilitation grant through the drop in value. More than that, where they are being settled in large groups, where the houses are being constructed by contractors, every time anything goes wrong with a house which has been sold to the veteran he says, "Well, this is government contracting business and I have not anything to do with it." Whereas if the man had been

there and taken part in the construction of that house, he would fix it himself. It is home and it is his interest. I want to urge as strongly as possible that we get away from this centralization and try to get the veteran himself building his own home just as they have done through the co-operative housing schemes down in Nova Scotia. There is nothing that will tie a man to the community more than the constructing of his own home. The sooner we can get that principle into the Veterans' Land Act, the sooner we will get our veterans back into our communities as part of the community and not as a segregated group of people by themselves. I want to urge you, Mr. Murchison, to consider that suggestion because I think it is sound. I do think that the costs of construction of these homes that are going up at the present time are entirely out of line. I suppose that is your cheapest?

The WITNESS: It is the smallest.

Mr. WRIGHT: The smallest and cheapest?

The WITNESS: Yes.

Mr. WRIGHT: \$4,582 is the cost of a small house, with one floor, no cellar or upstairs. Within the last three years I constructed on my farm exactly the same sort of house for the hired help and it cost a little over \$1,600. I do think that the cost you are having to pay at the present time is out of line.

Mr. Ross: I should like to support what was said by Mr. Mutch and Mr. Wright on this matter of community centres, as you might call them. I think it is decidedly a very bad policy. Mr. Mutch knows the situation, because he lives inside one of these larger centres. It has been very evident for many months past just what we are heading for if we do not take action very soon. It is unfair to these veterans to settle them in these large veterans' centres, as you are forced to do according to your statement a few minutes ago.

Mr. MUTCH: That was not my complaint.

Mr. Ross: No. I am referring to Mr. Murchison and his statement a minute or two ago. I do not know how you are going to get around it, but I think it is most unfortunate that you are forced more or less to create these new homes and these new settlements through group centres. In my own experience I know of young chaps who have been back and discharged for almost two years and who, with the exception of their homes have re-established themselves in their old jobs in their own community, a village of 800. They have tried to find ways and means to obtain assistance, through your board, to get a small home, a small holding and so far it has been absolutely impossible on their part. These chaps are seriously contemplating throwing up the jobs they have—good jobs in which they show every evidence of being successful in the future—and going to some of these centres in order to obtain a home for their families and themselves. I think this procedure is decidedly wrong and will have a bad effect. I may be a bit of a crank about this matter of centralization in all matters in this country of ours, but I think this is a great opportunity to try to decentralize our population. I am sure everybody will agree it should be done.

There is one point right there that I should like to mention. If we are going to have our veterans, hundreds of thousands of them, centralized in this manner, it will create great difficulties for us as individual citizens, for our government and for the veterans themselves. I hope that the people responsible will reconsider this and find ways and means to get away from that idea just as soon as possible and will take steps to decentralize these homes and these settlements for our veterans. I think many veterans who probably enlisted from large centres should be encouraged to go to rural areas.

Mr. ASHBY: Many of them want to.

Mr. Ross: Yes, many want to. But they are forced, through circumstances beyond their control, to stay in these large centres in order to be rehabilitated;

and our young men and their young families from rural centres are contemplating going to these centres to find themselves a home even if there is not as good an opportunity for remunerative employment.

Mr. Mutch: They do not need as much.

Mr. Ross: I trust there will be very serious consideration given to this matter and that an effort will be made to try to avoid this situation.

The WITNESS: If I may make a comment on that—

Mr. COCKERAM: In view of the remarks made by Mr. Wright—

The CHAIRMAN: Were you going to deal with the same point?

Mr. COCKERAM: With the cost, yes.

The CHAIRMAN: Mr. Murchison wanted to make a comment on Mr. Wright's remarks.

The WITNESS: I fully agree that it is not desirable to build up a large number of villages or small towns exclusively of veterans. I am, I think, just as alive to that weakness as is any member of the committee. I had hoped right from the start that a very large number of veterans, probably the larger percentage, would have been able to find the solution to their housing problems within an urban pattern under the National Housing Act or in conjunction with their re-establishment credits and so on. But I do wish to assure the committee that this pattern we are following in 1945, confined to barely 3,000 houses scattered across the country, is after all only a flea-bite in relation to the over-all problems. Just as rapidly as we can get away from that kind of thing and get into greater decentralization, maximum decentralization, the better we will be pleased. It is along those lines that we are working at the present time.

By Mr. Mutch:

Q. You do not think there is any danger of this policy crystallizing?—A. It cannot crystalize; because we have areas such as Toronto, for instance, where there is a potential volume of discharged personnel running to 150,000 men and women, in the metropolitan area of Toronto. It would simply be fantastic for us to attempt to accommodate say 10 per cent of those veterans on a small holding pattern in communities around the perimeter of Toronto, because we would be creating all sorts of hazards in connection with sanitation unless we installed full sewage; we would be into all sorts of troubles with taxing authorities, education authorities, transportation people and so on.

Q. And you would end up with a slum?—A. I do not think we would end up with a slum because our houses are above that grade.

Q. I mean 20 years from now.—A. At the same time I do give to the committee the thought that while it is not desirable to set up large settlements of veterans under the Veterans' Land Act, I suggest that that very thing is on the way under Wartime Housing building houses on 25 foot lots in large concentrations here and there across the country to meet an urban housing need. So it should be kept in mind that there are other sides to this thing that may be working along the very lines that are objected to by this committee.

By Mr. Cockeram:

Q. Following the remarks made by Mr. Wright, I wonder if Mr. Murchison can give us a breakdown of these 10 houses that were completed in New Westminster. I should like to get the cost of plumbing, the cellars and the general cost of building a house like that.—A. I have it broken down very finely, but I have not got the complete detail with me, Mr. Chairman. The only breakdown I have here is under the headings of houses, roads, water system, heating, light and power and land. If you wanted it refined to a greater extent than that, I can produce the figures, because we have them over in our construction division.

Q. If you could let us have them, I think they would be interesting; that is, as to plumbing and so on.

The CHAIRMAN: Perhaps if you would give to the committee the figures you have, they would be interesting. Then you could get the others later on.

By Mr. Croll:

Q. Read what you have, will you, Mr. Murchison?—A. These houses run to the following amounts. There are 7 different designs of houses but all in the small house field. Incidentally, I think our minister, Honourable Mr. Mackenzie, has personally inspected these houses. The cost of the house itself runs as follows: \$4,358; \$4,344; \$4,237; \$3,975; \$3,915; \$3,870; \$3,842; \$3,766; \$3,721 and \$3,701. I am not giving you the odd figures but you will see that those house costs follow a pretty close range. As to road costs, that has been equalized on each unit because it was necessary to construct a subdivision road to service the whole block of land. Therefore an equal percentage of the cost of roads has been applied to each unit. Water system, \$48 per unit. We are hooked up there with the municipal water system.

Q. What about road cost?

By the Chariman:

Q. You did not give us the road cost.—A. The road cost was \$200.

By Mr. Cockeram:

Q. For the whole development?—A. No. For each unit. That road cost includes not only the actual physical cost of building the road but also includes the capital cost of the land on which the roads were built.

Mr. CROLL: That is not bad.

The WITNESS: Heating system, \$140 for the heating unit for each house. The installation of the light and power hook-up has also been equalized over the full 10 units, with an average cost of \$20.12 per unit. There are differences in the land allocation because some of the land units are more attractively located than others, and that had to be taken into account in distributing the capital costs of the whole project over the various areas. The differentials run from a low of \$165 to a high of \$250.

By Mr. Probe:

Q. Are those half-acre lots?—A. No, those are acres.

By Mr. Cockeram:

Q. What about plumbing and foundations?—A. The house includes the foundations, the plumbing and bathroom fixtures.

Q. Have you the cost of plumbing and foundation?—A. I have not got it here. I would have to get it from a more complete breakdown.

Mr. BROOKS: Mr. Chairman, I was going to ask Mr. Murchison, when they decided to build say 25 or 30 houses in a certain locality, if before doing so they look into the labour situation and the manufacturing situation in that locality. While I am at it there is another matter I wanted to mention. It does seem to me that with the shortage of labour and a shortage of lumber and so on, we are losing sight of repairs to buildings in the country. If a man wants to buy a farm, get out into the country and get to work, that would help the congestion in our towns and cities. I agree with Mr. Ross, that if we can get more men out from these congested areas in the towns and cities in the future it is going to be much better for us. I know that in Mr. Murchison's department, for instance, when they go to purchase a farm, if the buildings need some repair they say, "Well, this barn must be fixed up to 100 per cent. The hog pen and the other buildings must all be repaired." I know of men, for instance, who could buy a farm for \$2,500 or \$3,000 in its present condition,

one which has been farmed, where the owner has been carrying on and which they could farm. By the time they get through estimating the repairs the cost of the farm has gone up to \$4,500 or \$5,000. I would suggest to Mr. Murchison that the soldier, if he is a farmer, be allowed to go on that farm and that you allow him to make his own repairs as the price of labour and the price of lumber goes down. That is a principle I think which is recognized by the mortgage companies. A man goes on and he can do the repairs himself. The more repairs he does, the more improvement there is and the more value there is in the farm. I think there are a great many men being kept off farms today by the fact of the labour situation and the fact that there is not the lumber to make repairs. I believe that if we relaxed the present procedure we could get more men on the farms immediately than are going on them. I think that is the point I wish to make, Mr. Murchison, that we are a little too rigid and a little too strict.

The WITNESS: Of course, there are two sides to that. I realize the force and practical aspects of what you say. At the same time the department is in this position, that if we are buying property, it does not seem to matter how good the land is; if the buildings are in a bad state of repair and we put a veteran into those buildings, we have more critics about putting him into a tumble-down place than we have supporters for supplying the money to see that he repairs it.

Mr. BROOKS: Of course, you are going to the extreme. I did not say a tumble-down place at all. I realize that a veteran should not be put in a tumble-down place. I have in mind a number of farms near my own town of Sussex that soldiers wanted. The soldiers themselves wanted them. There would be no criticism. But they were not allowed to go on those farms because they said the buildings needed repair. There was no lumber or no labour that could be got to repair the buildings.

The CHAIRMAN: Mr. Brooks, you said, "They said".

Mr. BROOKS: I said the men themselves are willing.

The CHAIRMAN: No. You said, "They said". Who did you mean by "they".

Mr. BROOKS: The representatives of the department did not allow them to go on the farms. These men said, "Let us go on. We will take the farm. We will repair the buildings as we go along. It is going to cost us less than it costs now." But the actual estimate of the department was so high that the men could not consider purchasing the farms at all, and besides they could not wait. My contention is that if these men wanting the farms are satisfied with them, they should be allowed to go on and make their own repairs, thus improving the property. Besides, the government could later on give them grants as well to help them in their repairs, when the labour situation and the lumber situation relaxes. I think under present day conditions that something like that could be considered.

By the Chairman:

Q. Is that an unusual situation—a man wanting to buy a farm and not being permitted to do so?—A. I would say it was rather unusual. I should like to have the identity of the cases, if I might, so that I could make some inquiry.

Mr. BROOKS: It was in Sussex, New Brunswick; the name of the farm was the Christiansen farm. I can give other particulars if you want them.

The WITNESS: I will ask the Saint John office for a report.

Mr. BROOKS: That is not an isolated case at all.

By Mr. Kidd:

Q. A few moments ago you were going into a breakdown of the figures by provinces. I think you made reference to about 1,142 units in Ontario. Have you a breakdown for the Kingston area, district number 3. Have you done anything in that area?—A. Not very much.

Mr. Mutch: You have to have too much money to live down there.

The WITNESS: There is nothing right in the immediate area of Kingston for the 1945 program.

By Mr. Kidd:

Q. You have plans?—A. But negotiations are being opened in the near future for some building in the Kingston area commencing next spring.

Q. You have already negotiated, have you? You have something in mind?—A. We have something in mind for the Kingston area.

Q. You have bought property?—A. Yes.

Q. What did you pay for that property?—A. I would not care to say without looking at the figures. I have not got that in my mind.

Q. What is the acreage of it?—A. Nor would I care to say as to that either, without looking at the figures. I think it was in the neighbourhood of 20 acres.

Q. All in one piece of property?—A. Yes. It is adjoining or across the road from the new nylon plant outside of Kingston.

Q. In rough outline, what is your plan? How many units do you plan putting there?—A. There should be 50 or 60.

Q. 50 or 60, running along about the same cost.—A. About that.

Q. I should like to bring out something now. Perhaps I should not object to this. I had hoped to get some information.—A. As far as Kingston is concerned, the situation at Kingston is a very difficult one, to secure suitable land for any kind of small holdings. It is very difficult.

Q. I am of the same opinion as Mr. Mutch, Mr. Wright and previous speakers. I think you have to be very careful about trying to concentrate too many soldiers in these centres. Here is a project you have started since the house opened in September. I think we in this committee are more or less unanimously in favour of getting those single units started. I wonder who goes in and selects these lands. Do you do that yourself personally?—A. No.

Q. Who does it on behalf of the department?—A. We have regional offices established all over the dominion, 45 of them; and each regional office is responsible for initiating operations in its own district.

Q. My point is that Kingston needs a centre like that. You have got schools in Kingston. When you go out there two or three or four miles you have not got them. You know the situation?—A. I know the general location.

Q. There is no school, no church, no Sunday school, no water, no sewage. The question is how feasible it is to jump in right away and build forty or fifty units costing \$4,000 to \$5,000 each. I know a young man who has come back from overseas and nothing would please that man better than to take forty or fifty feet off his father's lot in town and build there. He could come to you and you could give him an agreement to go ahead. These men are working eight hours a day but they can work in the long evenings all winter if you will give these boys the same concession you have given the building contractors. You say, "How can it be done?" It can be done if you will say so. I think you should co-operate with the other departments and they should co-operate with you. It is just the same as a man in a special category who can buy a tire for his car, a doctor, a clergyman, or a parish priest. If you would give the veteran the same chance, if you would let him go down to whatever organization you might set up on behalf of the government and make his application to build a home it would help. Let him find out whether he wants a dozen window sills or

a half a dozen doors, some electrical fixtures and plumbing fixtures. Let him do that. I think you would be much further ahead.—A. You would give him a lot in the city?

Q. Yes. I mean what applies to Kingston applies to other centres. What about providing schools for them? The next thing you know will be you will have forty or fifty families there and you will not have a school for them.—A. There is another answer for that. School building has been practically dormant ever since the outbreak of the war. Practically every large city school is bursting its seams now. They cannot accommodate pupils in the city. New schools must be built.

Q. I agree with you, but you do not want a school out where there is heavy snow, where there are transportation difficulties, where it is too far away. I think you have got to be very careful because you are starting on a new plan. I think just as Mr. Mutch and Mr. Wright do about these individual units. These boys have jobs. There is an old saying that a horse will starve waiting for the grass to grow. They have got some money and the department will not co-operate with them because these boys want to proceed right away. A man discharged last week should be able to take his form in to some board, have it O.K.'d and then he can start to build. I know that in Kingston to-day there is no material being given out to veterans. It should be. I am only referring to veterans. We have three building contractors than whom there are no better in Canada. If you would give the green signal so that a soldier can take his form, take his truck, or his father's car, get his requirements and build a home, as the last gentleman said he can build a better home for \$3,000 or \$4,000 than you can or any contractor, and it will be done. We have had an example during the last three or four years. Two of the finest industries in Canada have been built in Kingston. They are the C.I.L. and the Aluminium Company plant. These boys have been working for eight hours. We have to-day about three or four hundred units of wartime housing which are all filled, and we have a couple of hundred veterans walking the streets trying to get homes but we cannot get co-operation immediately. I think my scheme would work out. It is not my scheme. It is one of the veteran's. These boys want to get a lot near their friends. They do not want to go and live together. They would like to live near their friends.—A. That is a standard forty foot lot.

Q. When they have worked their eight hours a day they can go and build the basement and do it themselves. I have seen the wife and the children helping them and they built a better home than Wartime Housing.

Mr. Mutch: I think that is a little bit exaggerated. Do you not think that to say "a better home" is a little bit exaggerated?

Mr. Kidd: They got better value for their money.

Mr. Mutch: That is a different matter.

Mr. Kidd: These wartime houses have no basements. They are all prefabricated with a piece of Ten-Test around the sides. That is why I think the others are much better homes. They can build the basement with a pick and shovel, make their own concrete and pour it in. It costs much less. It is being done. The homes these tradesmen have built in the last few years are more desirable homes than those of Wartime Housing.

Mr. Mutch: You are comparing them with Wartime Housing; you are not comparing them with the houses built by the department?

Mr. Kidd: Wartime houses are built by the department.

Mr. Mutch: Not by this department.

Mr. Kidd: The people on the street do not know it. The man on the street does not know it. I am going to give you that suggestion. In fact, I have a press clipping referring to you here which says that the director under the Veterans'

Land Act, Mr. G. Murchison, has purchased a section of land west of the C.I.L. nylon plant as the site for community homes for people under the small holding section of the Veterans' Land Act. You will be coming before this committee again. I wonder, Mr. Chairman, if he could bring that information?

The CHAIRMAN: Yes.

Mr. KIDD: The amount of acreage in the Kingston unit, and what you paid for it.

The WITNESS: I will be glad to do that. I should like to make one observation if I may on the question raised by the last speaker. While I realize that there are probably substantial numbers of veterans scattered across Canada who have the ability, the ingenuity and the perseverance to carry through their own housing project along the lines that have been indicated at the same time very grave financial risks are involved in a policy of that kind. Even if the veteran can build a house for \$3,000 for material and by subscribing his own labour nevertheless there is a heavy public expenditure for that material, and I think we would be lax in our responsibility if we allowed a wholesale program to develop whereby very large amounts of valuable materials were turned over to what would in many cases be the jack-knife carpenter type of builder.

By Mr. Quelch:

Q. Some of the discussion which has taken place prompts me to ask this question. When you are considering an application in order to qualify does an applicant have to satisfy you that he will make good use of the piece of land he obtains as a part time occupation or on the other hand in order to qualify need he merely satisfy you he needs a house and has the assurance of a full time job? In other words, has this just become a housing scheme instead of a small holding scheme?—A. I would not say that. We have to satisfy ourselves as far as our perception will permit us that the man is, in fact, interested in having a little bit of ground around his home which he can use for any one or more of a number of desirable purposes as distinct from the veteran who is not interested in land at all. These small holding plots can be put to such a wide variety of intelligent uses that we do expect some assurance from the veteran that he will, in fact, make constructive use of that land. I have not any doubt at all, Mr. Chairman and gentlemen, that in the present emergency we are receiving assurances of that kind from veterans in good faith, no doubt—I do not question their sincerity—but underneath it persists the impression in my mind that their immediate need in a great many cases is that of a house. We cannot look into the souls of men any more effectively than any other group of Canadian people.

By Mr. Probe:

Q. Why not give him the benefit of the doubt on that?—A. We gave him the benefit of the doubt as far as it is reasonable.

By Mr. Quelch:

Q. Nevertheless is it not true that the purpose of the Act originally was that we would settle these men on a little bit of land so that they could help to expand their income by indulging in part time farming, truck farming, or something of that nature? That really was the intention in the first place?—A. That was the intention. I think the thought was also in mind that remembering the very serious conditions which confronted approximately a million men who were on relief prior to the war that if they had a small piece of decent land and at one time or another they ran into difficulties with their main employment, or their employment was seasonable or spotty, they could, to the extent that a reasonable piece of good land would permit, make some contribution to their own welfare rather than having to rely completely on relief grants from the state.

By Mr. Merritt:

Q. I was very surprised to see that a house in New Westminster was costing \$4,500 a unit. I would have thought that must include considerable inflation, but it occurred to me that this summer in Vancouver they were building 1,200 veterans' homes in the city under Wartime Housing Limited the cost of which was announced in the newspaper at \$3,000 each. From the look of that picture I should say they are about the same size. Do you check with other government agencies in the housing field, such as Wartime Housing, to compare your costs? How did you satisfy yourself that a cost of \$4,500 per unit was an economic cost?—A. Of course, this first project was an exploratory one. Every hour of labour that went into the construction of a house and every stick of material were under close audit by the auditors loaned to us by the Department of Munitions and Supply. I have no apologies to make for the cost of that house. As a member of the inter-departmental housing committee which was set up on the 10th of May last I have some knowledge of the present day cost of houses being constructed by Wartime Housing. They are not up against any cost for the acquiring of land. They also have the advantage of concessions by the city concerned in the way of installing services. They have another concession, of course, that does not enter into the cost. That is along the line of taxation, but I do know that during the past few months in the estimates submitted by the Wartime Housing representative to that committee for approval of additional projects their costs today are comparable to the costs I have recorded for these houses. These costs have gone up. I would agree that probably in the city of Vancouver Wartime Housing being set on cedar posts and of a more temporary type of construction could be realized for less cost than these houses, but this is a permanent house. This house is built to last for at least fifty years.

By Mr. Ross:

Q. How much would you say that the cost of construction has gone up, what percentage?—A. It varies in localities. My own estimate is that the cost of construction since the war has gone up from 30 to 50 per cent depending on the locality.

By Mr. Merritt:

Q. This figure of \$3,000 I mentioned was given as the cost of the house exclusive of the services and the land. I wondered if there was any comparison of costs going on continuously between your department and Wartime Housing to check each other because you have no competition?—A. I might be frank enough to say that there is one reason for a difference in the cost between Wartime Housing and the type of construction we carry out in that we have endeavoured sincerely to acquire our materials for this program through established channels of trade throughout the country. I am not criticizing for a moment the manner in which Wartime Housing acquires its materials but they buy direct from factories, pass up the ordinary channels of trade and thereby effect fairly substantial savings in the cost of materials. I am not criticizing that. I am just stating a proposition which is known to exist. I imagine our costs could be substantially reduced if we were to say, "We will acquire all our building materials by the most direct route and ignore the established channels of trade throughout the country." To me that would be highly impractical because our program, if it is to succeed, must eventually extend into practically every community in Canada big and small. The idea of direct purchase and distribution is effective only so far as you are dealing with pretty large concentrations. Personally I do not like the idea of dealing on a direct basis for supplies.

Mr. CROLL: The difference is one is production for use and the other for profit.

By Mr. Mutch:

Q. If you did short-circuit the local distributing agencies and began to buy directly would it not be correct to say you would be to that extent entrenching the idea of community building because it would be too expensive to build individual homes, to supply individual holdings? You could not buy as War-time Housing does and begin to give service and take advantage of the cost in rural and village communities. There is one other thing while I am on my feet that I should like to mention in connection with these holdings in suburban areas. I do not know what the departmental thought is, but I am satisfied that no man who holds a job and works eight hours a day can make an acre of land productive in those areas. Perhaps at a later time he will if he is unfortunate enough to have seasonal work or to be laid off. Perhaps he will then reap the benefits from it, but I think it is most important that the suburban holdings should be encouraged to be restricted to the half acre. In order to make any money out of truck farming in the part of the country from which I come an acre is all that any man can hope to look after and make productive. If he has got a job somewhere else the tendency is for that acre to become a wilderness and depreciate the value of his property and everybody else's property. I like the idea very much of half-acre holdings in that type of area. I think it should be encouraged. In other areas perhaps an acre is even too small. I do not know, but that half acre is a very important change.

Mr. ASHBY: I look upon this whole matter from an entirely different point of view than the average member present. These are not homes which are being built. To my mind they are temporary shacks. I have a house on my farm which is very similar to this one with the exception that it has a full basement. The furnace has been taken out of it. It has three bedrooms, a kitchen and sitting room, is well insulated and well built, not of common spruce but of fir. I keep hogs in it in the winter time. If Mr. Murchison will agree I should like him to write to his agent in Edmonton and instruct him to obtain a real estate valuator to go out to my farm and place a valuation on my home. When he brings that back I will tell him what is cost me to build. I should not say "cost"; I should say "price", because it does not cost a cent to build a home. Money is merely a means to an end; that is all. We were able to build bombs that cost us far more than \$3,000. We gave them away absolutely free, and the "cost" of delivering those goods was ten times, one hundred times, perhaps a thousand times more than the original cost of the bombs. I say give these men permission to use \$6,000 worth of material to build homes for themselves and I will warrant this Canada of ours will be known throughout the world as having the finest homes anywhere. If you happen to be in Edmonton I invite you to come out to my farm and see my home which we built for less than one-third of the value, I should say, which will be placed on it because we did the work ourselves, myself, my wife and my children with local help. The only experts we had were the electrician, plumber and plasterer. Otherwise we did all the work ourselves. I say as a reward for services rendered give these men permission to use \$6,000 worth of available material, give them priority to buy this material so they can build real homes for themselves.

By Mr. Cockeram:

Q. The question of schools has been brought up here today and I should like to read a letter from the reeve of North York in connection with the housing development there. It appears that the veterans' department is building two hundred houses. If I may, I should like to place this letter on record. The letter reads as follows:—

TOWNSHIP OF NORTH YORK

OFFICES AT WILLOWDALE, ONT.

OCTOBER 31st, 1945.

ALAN COCKERAM, ESQ., M.P.,
Parliament Buildings,
Ottawa, Canada.

DEAR SIR,—The township of North York, of which I am reeve, is experiencing a considerable amount of development by virtue of its nearness, in the main, to the city of Toronto. Permits have been taken out for approximately 1,200 homes this year, of which more than half are for the purpose of providing suitable accommodation for ex-members of the armed forces or their dependents.

The development that is giving us the most concern is the one where 200 homes are being constructed for rental purposes to veterans' families, and because of their size and assessment value the estimated revenue from these homes will not be anything like sufficient to take care of the costs of normal municipal services. It is estimated when a school has been built to supply the necessary educational facilities for the children of these soldiers' families, there will be a deficit in that particular school section of approximately \$19,000 over the two-year period following erection of the school, and it is my considered opinion that owing to the fact that projects similar to these are national in character, the Federal government should seriously consider giving a grant to this school section which will take care of the deficit.

For your information, I presented a brief (copy of which is enclosed) to the officials appointed to interview myself and several other delegates several months ago, but as yet no word has been received from the Ottawa authorities as to what they are prepared to do or not prepared to do.

Anything that you may be able to do to assist in this matter would be greatly appreciated. For your information I am also forwarding a copy of this communication to Mr. J. E. Smith who is the Federal member for the riding of York North.

With best wishes, I am

Yours sincerely,

(Sgd.) GEO. H. MITCHELL,
Reeve.

Re: Erection of School on Lawrence Avenue

Owing to the fact that approximately 200 homes, construction of which has already been commenced by the Veterans' Housing Project, Toronto, it is estimated that additional accommodation for educational purposes in this school area will necessitate the construction of a six roomed school at an estimated cost of \$95,000. In addition to these six rooms, there is available a class room in the school already located in the section.

The situation is such in this school section that it is estimated that it will cost an additional \$19,000 over and above the amount which would ordinarily be required to provide education for the children of this school section, and it is felt that, over a period of two years, the development in this school section would be of such a character that the revenue derived therefrom would be sufficient to put this school section on a self sustaining basis and at a mill rate similar to the one at present maintaining.

However, it is very definitely felt by the council of the township of North York, that while said council is prepared to do all in its power to expedite the construction of these homes and provide facilities for families of members of the armed forces, the residents of this school section should not be penalized and asked to pay a higher mill rate because of this development, which is of an abnormal character and creates a condition beyond their control, and by virtue of these facts, it is respectfully requested that your department grant a sufficient sum of money to the township of North York which will enable the trustees of this school section to proceed at once with the construction of this school in order that the estimated additional 250 children of school age may be assured of educational facilities immediately upon arrival in this section.

We would also like to point out that in our opinion this business of assisting in the rehabilitation of members and families of the armed forces is a national matter and it would seem only reasonable to suppose that your department should be prepared to make grants to a point where it will prevent citizens of the various districts where these projects are undertaken from being penalized in a financial way.

We may say that we are attaching hereto a statement showing the budget for this year's operations and a forecast of operations for the next two years which, as previously stated shows a deficit of \$18,958.88.

In conclusion, it appears very imperative that the construction of this school be commenced immediately and we greatly fear that unless the residents of the area affected can be assured that a suitable grant is forthcoming, it will be impossible to obtain a majority vote of the rate-payers authorizing the construction of this school, and would very definitely frustrate our desire to provide accommodation.

We certainly urge that you give this matter your immediate and favourable attention.

With best wishes, I am,

Sincerely yours,

(Signed) GEO. H. MITCHELL,

Reeve.

Now, Mr. Chairman, when these housing projects of veterans are being considered, is consideration given to such facilities as Colonel Kidd mentioned—churches, schools, and such like? It does seem to me that if we put families in areas where such services are not already available we are going to penalize the residents in those areas in the days to come. I wonder if Mr. Murchison could tell us why this development was built in this particular area where there was not any school accommodation, and also what the cost of the housing was?—A. I cannot answer your question without first getting more detailed information. I do think it is possible that the letter which has just been read was directed to the Wartime Housing Corporation, because of their connection with projects of that kind. I understand that the rate of taxation, which is a part of the agreement in such cases, is very considerably below the normal tax rate. On the other hand, it may relate to one of the projects being carried out under the Veterans' Land Act.

Q. It is one of yours?—A. Then we anticipate normal taxes. I may say that the situation referred to in North York differs in attitude very substantially from the attitude that we encounter in other parts of Canada.

Mr. CROLL: You bet.

The WITNESS: For instance, I might refer to the case of the city of Calgary where the city donated 140 acres of land to us within the city limits, on the understanding that it would be used for home sites for veterans who derived from Calgary; and that in consideration of our doing so, they would undertake

to give us a tax rate per unit of \$60 per year during the lifetime of these settlement contracts. \$60 a year is very substantially greater than the taxes paid per unit on wartime housing, which are generally in the vicinity of from \$22 to \$25 per year. On the general question of educational facilities all I can say, Mr. Chairman, is that we must proceed the same as other people proceed, by assuming that education is the responsibility of the province concerned. It would be absolutely futile for us to consider any progress under this plan if we were to be confined, as to distribution, to places where there are existing school facilities. In the township of Scarboro, for instance, we have the goodwill of the reeve and council there; but they tell us that their existing school system is bursting at the seams and that they have not a single seat in any of their schools for additional school population. But nevertheless there are many people, in addition to veterans, being looked after under this Act who are going into Scarboro township and building homes. The only answer I can offer to the member who has just spoken is that this should be a subject for consideration between the dominion and the provinces in the course of the Dominion-Provincial conference. I realize it is a pressing problem. But when we find corporations such as Calgary, Edmonton, Battleford, Prince Rupert, Yorktown, Saskatoon, Winnipeg, Oshawa and Windsor that are quite agreeable to bearing their fair share of the load without complaint, and are endeavouring to solve this school problem within existing legislation, I think that probably the corporation of North York is a little bit pessimistic as to what the ultimate outcome is going to be on behalf of these veterans.

By Mr. Kidd:

Q. I have just one question on Calgary. Does the \$60 assessment per unit in Calgary mean an annual assessment of \$5 per month?—A. That is true.

Q. Does that include general taxation?—A. Everything.

Q. Does it include such things as garbage collection and school taxes?—A. Everything.

MR. CROLL: I was very glad to hear Mr. Murchison's answer. I hope that someone will convey to the reeve of North York, who is my neighbour constituent, the attitude of this committee as well as the attitude of the men from the west who are ready to co-operate without asking too many questions. I, for one, am not only asking questions, but I was not particularly impressed, because I think the answer is that if two hundred other people had not been there, we would not have had this question raised before this committee, or even the suggestion. They ought to be tickled to death to have those people with them, and what they ought to do is to welcome them instead of bringing the matter before this committee. Yesterday I sat back and listened to you members who know this Act very well, and I came to this conclusion which may or may not offer you food for thought.

We have three projects under way in this country. We have the Wartime Housing project which operates in urban areas almost entirely, and it has its set of problems. Then we have the Veterans Land Act which attempts to do two things. It attempts to deal with suburban projects for the returned man as well as to deal with farm projects. Now it seems to me that those two projects are separate and distinct problems. They are not alike in any respect at all. We must not lose sight of the very important project, the farm project, which is to put a man on the farm and get him to work and have him produce. That, I think was the intention of this Act. The others are turning, whether we like it or not, into housing problems, as I see it. Now, that is a different approach entirely. It is the approach of my friend Mr. Cockram. Such problems never arise in the country at all, because the schools and churches are there already. You have not these problems in wartime housing. All these problems are solved for you. This seems to me to be an entirely different approach. If I can gather

anything from what Mr. Murchison told us yesterday, it is going to be by far the largest problem. He said that it was their purpose to get a man to live on the land. What man, woman, or child does not like the land and the idea of getting away from large centres of population? Consequently, you are going to get such people in droves. So I think this committee might well consider some recommendation to the powers that be that perhaps these two phases of the question should be divorced. I do not intend any reflection upon you at all, Mr. Murchison. What I would do would be to let one go one way and the other go the other way. Perhaps such a new approach would not meet your administration problems, but I would refer the thought for your consideration before the next meeting, when someone may have other views on the subject.

Mr. HARKNESS: As far as the situation in Calgary is concerned the municipality of Springbank, which is near Calgary, has the same problem as Mr. Cockeram has brought up, and it is very worried about the situation. I think this committee might make representations to have the dominion government bring up the matter at the Dominion-Provincial conference because those people are finding their taxes increasing. We have, fifteen to twenty miles from Calgary, a situation where the taxes are going up very materially, and where the school district, which is a large district, does not see how it can provide sufficient educational facilities for the small holdings, both civilian and under the Veterans Land Act, which are likely to be built within the next few years.

Mr. ROSS (*Souris*): I think there is a lot of merit in what Mr. Croll just said. I was wondering if it would be possible to obtain copies of Mr. Murchison's remarks to the committee yesterday?

The CHAIRMAN: The copies should be available to-morrow at the latest.

Mr. ROSS (*Souris*): Following the last soldier settlement scheme, many municipal units—at least in the western provinces—made many trips to Ottawa in order to iron out difficulties with respect to municipal taxes; those were situations that were not foreseen at first, and where municipalities lost taxes. I cite that as an example that we must avoid in the future. That is one thing that we want to avoid under the new Act.

Do you think that we may have today copies of yesterday's proceedings?

The CHAIRMAN: I think that they will be available tomorrow.

Mr. COCKERAM: In the letter which I read from the reeve of North York there is a page of figures which I should like to have included.

The CHAIRMAN: What page?

Mr. COCKERAM: The page where they arrive at the figures.

Mr. CROLL: I do not think it is properly before this committee.

Mr. COCKERAM: There are only a few figures and the committee might find them of interest.

The CHAIRMAN: We are now past the hour of adjournment, but before we adjourn I would say this to the committee, in answer to what has been suggested. There is no doubt that the small holdings act has met some very pressing needs in a splendid way; for example, in the case of a person who is ready to go on to the small piece of land and keep a few pigs and cows and to be engaged in some work in town. So, before we suggest that we do not carry on with that, we should first be very sure that somebody else will take it up in anything like the very efficient way it is handled. I presume now that we will have to adjourn until Thursday at 10.30 when I hope we will be able to start consideration of some of the sections, reserving the right to discuss them as we go along.

Mr. JUTRAS: I wonder if we could have a breakdown according to provinces included in today's proceedings? We have, for instance, so many units in Manitoba, in Ontario, and there is a breakdown for the maritime provinces; but could we have a breakdown for each province included in today's record?

The WITNESS: I can have them by 2.30.

The CHAIRMAN: That would be good enough.

Mr. QUELCH: Could we have all the regulations in connection with the Veterans' Land Act?

The CHAIRMAN: They are in the red book.

Mr. QUELCH: They are not in mine.

The CHAIRMAN: The committee is adjourned until Thursday at 10.30 o'clock.

The Committee adjourned at 12.40 p.m. to meet again on Thursday, November 15, 1945, at 10.30 a.m.

APPENDIX "A"

VETERANS LAND ACT 1942

Nov. 13, 1945.

CONSTRUCTION SCHEDULE

1945

MARITIMES

New Brunswick

Sussex	5
Fredericton	10
Sackville	10
Edmunston	10
Woodstock	5
St. John	10
Newcastle	5
Bathurst	5
Campbellton	5
Saint Stephen	10
Moncton	20

Nova Scotia

Yarmouth	5
Kentville	5
Lunenburg	5
Windsor	5
Middleton	5
Truro	15
New Glasgow	10
Amherst	10
Springhill	5

Prince Edward Island

Charlottetown	10
Summerside	5

QUEBEC

Montreal	100
Sherbrooke	30
Boucherville	17
Hull	40

ONTARIO

Windsor	100
Chatham	8
Sarnia	8
Niagara	70
London	100
Hamilton	100
Toronto	400
Ottawa	100
Sault Ste. Marie	30
Bowmanville	4
Various small centres, total of..	210
Port Arthur	12

MANITOBA

Winnipeg	245
Carman	4
Dauphin	6

SASKATCHEWAN

Regina	25
Moose Jaw	15
Prince Albert	15
Saskatoon	25

ALBERTA

Edmonton	120
Calgary	105
Lethbridge	30
Red Deer	25

BRITISH COLUMBIA

Vancouver	35
New Westminster	275
Kamloops	30
Vernon	20
Kelowna	30
Chilliwack	45
Mission	25
Ladysmith	4
Nanaimo	6
Courtenay	10
Victoria	80

SESSION 1945

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

THURSDAY, NOVEMBER 15, 1945

WITNESSES:

Mr. W. A. Woods, Deputy Minister of Veterans Affairs;

Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;

Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945

MINUTES OF PROCEEDINGS

THURSDAY, November 15, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Belzile, Bentley, Blair, Bruce, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Em-merson, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Langlois, Marshall, Mackenzie, McNaught, McKay, Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Tremblay, Tucker, Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs.

Mr. Gunn submitted certain amendments to the proposed draft bill intituled: *An Act to provide Rehabilitation Allowances for Veterans*, which were distributed to members of the Committee.

It was ordered that a revised draft of the proposed bill, embodying these amendments, be printed and distributed.

On the suggestion of Mr. Mackenzie, it was agreed that, commencing Monday next, consideration of the proposed draft bill to amend The Veterans' Land Act, 1942, be deferred until the Rehabilitation bill has been considered and reported.

Examination of Mr. Murchison was continued.

Mr. Murchison filed the following statements of operations under the Veterans' Land Act, which are printed as appendices to this day's minutes of evidence:

Analysis of Applications, Maritime Provinces, from inception to October 31, 1945 (*Appendix "A"*);

Summary of Lands Appraised and Purchased, Maritime Provinces, as at October 31, 1945 (*Appendix "B"*);

Analysis of Applications for Financial Assistance, Full Time Farming, Maritime Provinces, for the month of October, 1945 (*Appendix "C"*);

Analysis of Applications for Financial Assistance, Small Holdings, Maritime Provinces, for the month of October, 1945 (*Appendix "D"*);

Analysis of Applications for Financial Assistance, Commercial Fishing, Maritime Provinces, for the month of October, 1945 (*Appendix "E"*);

Summary of Lands Appraised and Purchased as at October 31, 1944 (*Appendix "F"*);

Summary of Lands Appraised and Purchased as at October 31, 1945 (*Appendix "G"*);

Breakdown of Construction Schedule for the year 1945 (Small Holdings) for the Province of Ontario (*Appendix "H"*) (*See also Appendix "A" to minutes of evidence for November 13*);

Statement of Project Lands near Kingston (small holdings) (*Appendix "I"*);

Breakdown of cost of construction, Van Norman Design No. 6A, of house, Gray Subdivision, New Westminster (*Appendix "J"*);

Mr. Mutch moved that the Committee proceed to consider the proposed draft Rehabilitation bill at the next sitting.

After discussion, and by leave of the Committee, Mr. Mutch withdrew his motion.

At 12.44 o'clock p.m., the Committee adjourned until Friday, November 16, at 10.30 o'clock, a.m.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS

NOVEMBER 15, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, the first item which I wish to bring to your attention is the matter of further proposed amendments to the Veterans' Rehabilitation Allowances Act which, of course, embodies the post-discharge re-establishment order. In order that you may have it before you we have secured enough copies to distribute. I would ask you to consider the draft Veterans' Rehabilitation Allowances Act in conjunction with these mimeographed proposed amendments to that draft bill. For our convenience I think probably we should have that draft bill reprinted with these proposed amendments because it will lead to less confusion. If that meets with the approval of the committee we will carry it.

Mr. CLEAVER: Carried.

The CHAIRMAN: We will reprint it with these amendments. The minister has to leave, and I would ask him to make a short statement.

Hon. Mr. MACKENZIE: Mr. Chairman, the first thing that occurs to me is that I should like the committee to discuss the title of this particular bill. I am not very much enamored of the title as you have it now with all respect to those who drew it up. I think you can get a simple title because re-establishment covers everything. It covers pensions, veterans allowances, land settlement. This is going to be a statutory enactment of the post-discharge benefits as they were called at that time. Therefore I think that the committee should give some little thought to that.

The second thing I want to say to the committee is that all the parties in the House have been in conference—the whips and the leaders—in regard to the work of the session. I think that possibly some suggestions will be made to parliament either today or tomorrow in regard to what is proposed. Personally, I am very much afraid it will be impossible for us to finish the work we have in view during the present session of the House. I would therefore suggest—and this is purely a suggestion to the steering committee or to the main committee—the order of importance. You have completed one bill now on which we will take action at once. As far as my experience goes the next most important one to my mind is the one just mentioned by your chairman because there is no statutory protection at all at the moment outside of orders in council for those who are receiving these benefits. There is under the Veterans' Land Act, there is under pensions; and there is under veterans allowances. As I see the situation now we can get only two bills through this session. They will be the War Service Grants Act, which you have already considered very carefully, and this bill which has been mentioned by the chairman. I think if you have a substantial discussion of the Veterans' Land Act now, when the House meets again—I hope at the end of February—we can then proceed at once and finish the task with the same personnel, the same committee which we have now, finishing the job, as Mr. Churchill would say. I am leaving that as a suggestion. Of course, I am not intruding at all on the decision of the committee, but it is my own belief that you should put into statutory form at this session these post-discharge benefits, if possible.

Mr. KIDD: I do not know if this is the proper time, but before we get into anything contentious I asked Mr. Murchison a couple of questions the other day. He was to get the answers. I wonder if he has them and if he could give them now?

The CHAIRMAN: That will be given at the start of the proceedings.

Mr. KIDD: I do not want to break in.

The CHAIRMAN: Does any one else wish to comment on the observations of the minister? I did not have a chance to discuss the matter with the minister but I think that his suggestion is a very good one and one which our steering committee might consider.

Mr. CROLL: We will take it up.

The CHAIRMAN: If it is going to take quite a while to put the Veterans' Land Act through and there is going to be considerable discussion then if we start to try to press it through we will not get the Rehabilitation Allowances Act completed. As the minister has said, that is based entirely on orders in council and it is very important that there should be a statutory basis given to it as soon as possible. Perhaps we should have a meeting of the steering committee right after this meeting and discuss the matter again.

Mr. QUELCH: I suppose if the department considered that certain amendments were required immediately to the Veterans' Land Act there would be nothing to stop them passing an order in council?

Hon. Mr. MACKENZIE: Not if we have the consent of this committee. We will be only too glad to receive any recommendations from the committee, but my point is it is purely a matter of rationing the time. It is a matter of consultation with the different parties and groups in the House. We are not going to give up any of our rights with regard to discussing every single thing within the Veterans Affairs Department, but you cannot do it at this session if we are going to prorogue. That is the simple truth. If you get two bills completed before the 15th of December you are doing a mighty fine job. Then you will have about three or four left when you meet again, possibly at the end of February next year, and the same committee will carry on. Your task is so important that with all respect you should not rush it, in my opinion.

Mr. WRIGHT: I agree with what the minister has said. I think the Veterans' Land Act and the various other bills are important and require considerable study. I think it would be better for us to do a good job on two rather than try to push through three or four without having given them proper consideration.

Mr. ROSS: I quite agree with the remarks of the minister; I think they were very much in order. With respect to the Veterans' Land Act, as I understand it you cannot proceed and make inspections during the winter months, anyway, and we should give some thought to this other very important matter. I think the suggestion of the minister is very much in order.

Hon. Mr. MACKENZIE: Thank you.

Mr. MUTCH: I was going to say that the minister said a moment ago that if we had developed any views with respect to the Veterans' Land Act there was nothing to prevent some enactment by order in council or otherwise to bring that up to date.

Hon. Mr. MACKENZIE: It will be my duty to bring the views of the committee to the attention of my colleagues in council. Of course, it does not rest with me alone.

Mr. MUTCH: I am personally more concerned about protecting these things which the men are presently enjoying in the gap between now and next February than I am in changing or amending the Veterans' Land Act. However, I think perhaps before we leave it there might be one or two suggestions to Mr. Murchison which he might consider.

Hon. Mr. MACKENZIE: My suggestion would be that we have a substantial analysis of the whole scheme by Mr. Murchison.

Mr. MUTCH: We have had it.

Hon. Mr. MACKENZIE: I was not aware you had completed it. Unfortunately I have not been able to be here all the time, but I think any complaints that the committee have in the various provinces of Canada should be brought to our attention at once in this committee before we leave that. However, my point is that in regard to recommendations to parliament I should like this committee to deal with the post-discharge order.

The CHAIRMAN: That being the case, gentlemen, what I suggest we do is go over the proposed bill clause by clause which will give the committee a chance to make observations upon which possible action for improvement might be based. I suggest we should not spend more than this meeting, and perhaps the meeting on Friday, on the Veterans' Land Act. Then we would take up the post-discharge re-establishment matter on Monday next. That is the Veterans' Rehabilitation Allowances Act. I think in order to get some benefit from the two meetings of the committee we have had already on the Veterans' Land Act we should at least spend one more meeting on it, go over it clause by clause, and if we do not finish it then we will take Friday on it and then take up the other matter on Monday. There seems to be unanimity on that. Would that suggestion meet with approval. (Carried)

Mr. CROLL: May I take a moment on a matter that I think is rather urgent? I would hesitate to bring it up but the other day we dealt with an urgent matter rather well, and I think this is in the same category. It has to do with students at universities in the urban areas, particularly at the larger universities. The matter has now become very grave and is an important problem. It is urgent and I think it needs some consideration from the committee this morning while the minister is here. He has still got four minutes left before he has to go. I think the present arrangements are that a man receives \$80 a month for himself and his wife, and something extra for the children. In the large centres you find that some of them have to spend \$20, \$40, and \$50 a month for food alone. Rents are aggravated by the shortage of housing and run from \$40 to \$60 a month. Clothing is difficult to get under any circumstances. In view of all these circumstances these students find themselves in a very precarious position. They are finding that they have to go out and take part-time work. Many of them have been away from their studies for five or six years. They are not as young as they used to be, and it is a little difficult to get back. It requires all their attention and all their time.

I have had letters from universities indicating that some of the students are going short on food just because they have not got it. The family is getting it and they are not getting it. I think the situation is such that the facts are not in dispute. I appreciate that the legislation is good and was well intended, but here we have it working out in actual practice. It is very nice on paper but here we have the practical application. There is no fault on the part of the government or the administrative staff who are limited by what they can do, but the time has now come when we must deal with it on a practical basis. Does it work or does it not work? My suggestion is that this is a matter which needs urgent and immediate attention because it is important that we get these people back to school. We will need them in years to come. Anything that we can do to encourage them and keep them there will be helpful to the country generally. I realize that the department have men at these various places who are liaison officers. They are trying to meet the situation, but I do think it is an urgent matter that may require some action on the part of the minister immediately.

Hon. Mr. MACKENZIE: Mr. Chairman, I am going to be controversial now. It is not very often that I disagree with my friend, Dave Croll, because I know how fine his democratic heart is. In answer to his question may I say that we have 15,000 at the present moment taking advantage of the most generous allowances in the whole world in regard to educational training. I went through university in Scotland, and in my first year I had \$75 for nine months. I lived on that. At least, I existed on it. I think that the allowance which the Canadian taxpayers is giving to-day for educational training is abundantly sufficient for these men. I say that, and I will say it on the platform outside. I think the allowances are very generous. It is \$60 and \$80 up to \$124 if you have a certain number of children. I would have been a fortunate boy if I could have got that when I went to the University of Edinburgh.

Mr. MUTCH: Mr. Chairman—

Mr. BENTLEY: I was on my feet first.

The CHAIRMAN: All I can go by is the one I see first.

Mr. MUTCH: If you were up first go ahead.

Mr. BENTLEY: I wanted to draw the minister's attention to the practical application of this. I have in mind a young married couple. Before the war he was working on a job where he got \$80 a month. They were married. In a period of three years that young couple had saved \$1,000. In fact, they were fairly frugal. Then he joined the army. Now he has come back and gone to university for one term, the \$1,000 is nearly gone, and he is still getting \$80 a month. They are still just as frugal as they were before.

Hon. Mr. MACKENZIE: No children?

Mr. BENTLEY: No. Up until recently there were not. I understand there has been or will be soon. However that was the case. I have interviewed this young couple. Both of them tell me they are living just as frugally as they were before the war when they were getting \$80 a month. Therefore the indication is that Mr. Croll is right, that the \$80 does not cover these costs, no matter how careful they are, as it did in the period before the war. I am not blaming anyone at all for these conditions that arise. I appreciate the remarks of the minister but those are the actual facts of the situation. It is not their fault that rents and everything else have gone up to the point where instead of being able to save a little they are eating into their capital so that what they did save before the war is obviously going to be dissipated, and they are going to find themselves \$1,000 in the hole if they can get anyone to allow them to go \$1,000 in the hole.

Mr. MUTCH: I have not any idea how you are going to be able to discriminate between groups and between universities, but I do know that in some of the colleges of this country a man can get by who has \$80 a month to live on himself, but there are two universities in Canada where I am satisfied that a man cannot get by on that amount. Last night I had the opportunity of talking to a chap from McGill university who started a course there. He was one of sixteen. There are four of them left. He has lost ten pounds in weight. He is working hard and possibly is in better shape but I was satisfied that the boy did not have enough to eat. I do think that the suggestion made by the Legion is a good one and that there should be some consideration given to the places in which these boys are studying. Eventually we will have to pay some attention to that or else they will not get by. I was brought up in the same kind of school as the minister. Perhaps my parents were a little more indulgent. He has done better than I have, but I cannot help but think if he had another \$50 a month he might have been prime minister now.

Hon. Mr. MACKENZIE: Spare me that.

Mr. MUTCH: And I am not barring him from that in the future either. I do suggest that a young lad who gets out and slings hash to help himself or tutors somebody in another language while he is going to school, a young lad who is full of beans and has not been under the pressure these lads have been under, can sometimes do it. Furthermore, in addition to what I learned in my interview with him, I recall my own experience at university when I came back after the last war, and I know that the present provision is not adequate for certain of the larger centres, particularly. These chaps are going to be under a severe handicap and they will have to go short if they are going to go through with their courses without undertaking anything on the side. Frankly, I do not think those boys going to the more expensive areas can get by on the present minimum. I do not think a general raise would be justified or needed, but I would like to think that there would be some special consideration in certain areas.

The CHAIRMAN: The deputy minister might be able to give us some information.

Mr. WOODS: Mr. Chairman, there was set up last year what is known as the university training advisory committee of which I happen to be the chairman and on which committee are represented most of Canada's universities, all of the larger universities. A meeting of this committee took place on Tuesday of this week and this question of the adequacy of the training allowance was thoroughly discussed by all the university presidents, particularly the presidents of universities in the larger centres. I suggest, Mr. Chairman, since the committee has decided to consider the post-discharge re-establishment order on Monday that you might wish to defer discussion of the adequacy of the training rate until Monday when I shall be very glad to present a report of the meeting of that committee to which I referred.

Mr. KIDD: I have heard several times within the last few days that some of these boys attending universities have not received their cheques. I just wanted to bring that matter to the attention of the officials here to find out the reason for the delay. I think some improvement of the set up is needed to see that the boys get their cheques on time.

Hon. Mr. MACKENZIE: That came to my attention for the first time yesterday and I took immediate action to find out the reason for the delay, if any, in the issue of these cheques for allowances. I found that the delay was due to the fact that when these students enrolled at the universities our department was not notified of their enrolment and the date of their commencing. We had not been appraised officially of their having been taken on for these courses. Naturally, there was a little hold-up in the issue of their cheques pending the receipt of adequate information by my department.

Mr. KIDD: I am not complaining, I merely wanted to bring it to your attention.

Hon. Mr. MACKENZIE: As I say, it came to my attention only yesterday, and the matter is now being dealt with.

Mr. McKAY: What I have to say is not particularly in the nature of a complaint of the kind which has just been under discussion, but because of reports I have received from a number of the boys—this has to do with university training courses—I would like to ask the deputy minister if he would be able to express his opinion to this committee as to the attitude of the university authorities toward appreciating the difficulties that these boys are having after they have been away four or five years. I had a letter from a lad yesterday saying that he was working eight hours a day besides taking his normal classes and he was finding it very difficult; and his further remarks were to this effect that in that particular university, which I shall not name, that university is

planning to "wash out"—that is the term he used, because he was in the air force—about two-thirds of those lads by the Christmas examinations. I do not know whether he is right, whether he is unduly alarmed.

Hon. Mr. MACKENZIE: Wasn't that in regard to physical facilities?

Mr. McKAY: I am referring now to the boys who have been away from school four or five years and are having difficulty in readjusting themselves to classroom conditions. I am wondering if the deputy minister could express an opinion as to what the attitude of the universities is towards these lads who are having a great deal of trouble. It is not because they are not willing. I think we can all appreciate the difficulty that faces an individual who has been away from school for four or five years, who has been on active service in the navy, the army or the air force; and we can easily appreciate that it is most difficult for him to settle down to study.

Mr. HARRIS: Surely no one is going to suggest that a university would arbitrarily decide to "wash out" any substantial percentage of these ex-service students?

Mr. McKAY: This lad definitely makes such a statement. I would like to have some information on that from the deputy minister, if possible.

The CHAIRMAN: I may say in regard to that that the matter is one which is receiving the very careful attention of this university advisory committee and the deputy minister has said that he would make a report to this committee in regard to it on Monday next.

Hon. Mr. MACKENZIE: And, covering that point.

The CHAIRMAN: Now then, there are some questions which I suppose Mr. Murchison is ready to answer. May I suggest that he present the material he has ready now, and then we will proceed with a consideration of the bill clause by clause.

Mr. GORDON MURCHISON, Director, Soldier Settlement and Veterans' Land Act, recalled:

The WITNESS: I have not yet, Mr. Chairman, seen the report of the proceedings covering the first meeting of this committee at which I was present, at which time a number of questions were asked, particularly by Mr. Cruickshank, the member for Fraser Valley. I did not make a note of the questions at the time, and until I see the printed record I will not be able to supply that particular group of answers. I recall that there were a number of questions asked at the second meeting, and while I have not the answers to all of them there are a few which I can let the committee have this morning.

First of all, Mr. Chairman, before I table any of these answers, there is a matter which to my mind, purely as an administrator, should be considered by the committee. I refer to a statement that was made at the last meeting by Mr. Ashby which I think was put forward in good faith but I think it probably would leave a bad impression, particularly in the minds of veterans who will be reading the printed record of these proceedings. I refer to the discussion which centred on the type or sample of house a plan of which I circulated during that meeting. As I recall the remarks of the member concerned, he said something to this effect: these are not homes that are being built; to me they are temporary shacks. I have a house on my farm similar to this one, with the exception that it has a full basement, three bedrooms, a kitchen, a sitting room—and I have hogs in that now. I do not question the right of any member to state what he likes, but I do suggest, Mr. Chairman, that a statement of that kind is very apt to lead to some misunderstanding in the minds of veterans who may be reading the report of the proceedings of this committee, and I suggest for your consideration that it might be that a request could be made to the member concerned to withdraw that particular remark.

Mr. QUELCH: I do not think Mr. Ashby is here, but I can understand the point you have raised. I think as a matter of fact he was just stating to the committee something which is an actual fact so far as that is concerned; he had a house very similar to the plan shown to us and later on he decided to build a very fine house and subsequently turned his first house into a hog house. He was just stating that as a matter of fact.

Mr. Mutch: For rhetorical effect.

Mr. QUELCH: Without trying to give the impression that the houses you are providing are only fit for hogs. That is the way he said it and I heard him.

The CHAIRMAN: When he attends, Mr. Murchison, your remarks will be brought to his attention to clarify what he really intended to say.

Mr. QUELCH: I think this discussion pretty well eliminates any suggestion of their being hog houses.

The WITNESS: I just wanted to mention that to place myself on record with the committee that as administrator I take very strong objection to the comparison and the suggestion that houses of the type we are building are only fit for use as pig pens.

During the first meeting I think one of the members from New Brunswick asked for a breakdown of the number of properties purchased in the various maritime provinces. The statement which I tabled at that time had them all included in one group and I was asked to supply a breakdown showing New Brunswick, Nova Scotia and Prince Edward Island separately. This I have done, and I will table these statistics so they may be incorporated in the record. I think the member concerned felt that the average price being paid for land in the maritimes might show on analysis that the prices being paid for land in New Brunswick would be lower than that paid for some other properties. As a matter of fact they are, but the difference is not very substantial. However, I will table the material so that it can be incorporated into the record. (Appendices A, B, C, D and E show breakdown of Maritime land prices)

Another question was asked by Mr. Wright, the member for Melfort, as to the rise which has taken place in the cost of land being purchased under the Act. I think he was of the opinion that there had been quite a rise in prices since operations commenced. I have here a breakdown of our purchases as of October 31, 1944 covering the dominion, and a breakdown as of October 31, 1945. There has been a slight increase but it is not very marked. The average cost per acre for land in Saskatchewan in the period up to October 31, 1944, was \$13.12 per acre, and as of October 31, 1945, it had gone up to \$14.08 per acre.

Mr. BENTLEY: Is that the average cost of all land?

The WITNESS: That was the cost of land acquired in Saskatchewan only. I am tabling this breakdown so that members may be able to review any changes which have taken place in the cost of land in the various provinces throughout Canada.

Mr. BENTLEY: Will the statement contain the high and low as well as the average?

The WITNESS: No, it will contain the average, the total purchase price and the total acres.

I was also asked to furnish a complete breakdown showing the distribution of the house building program we undertook last spring. I have this with me this morning, and to save the time of the committee I will merely table it so that it may become part of the record.

Appendix F—breakdown of land values to Oct. 31, 1944.

Appendix G—breakdown of land values to Oct. 31, 1945.

Appendix H—construction schedule

I think it was Colonel Kidd, who asked as to the price that was paid for a block of land near Kingston in the county of Frontenac. That was a broken front lot, lot number 9, concession 1, township of Kingston, comprising 62.2 acres for which we paid \$22,500. It is located four miles from the city of Kingston and it is particularly well located as to roads and transportation. There are other properties in the Kingston area: part of lot 1, concession 2, township of Kingston, bounded on the south by the C.N.R. and on the east by the Tarvia road. It comprises 15 acres and is situated five miles west of Kingston near Collins Bay. The price paid for that was \$2,800. Then there is another property known as the east part of lot 24, concession 2, township of Kingston, comprising one acre for which we paid \$400, and it is located within two miles of Kingston. I will put that on the record for you, sir.

Mr. KIDD: Thank you.

(Appendix I—Kingston costs.)

The WITNESS: I was also asked to furnish a breakdown of the costs of the ten housing units which have been completed near New Westminster. There was considerable discussion about that particular group of houses the other day and I undertook to bring back a fairly complete breakdown. I do not know, Mr. Chairman, just how fine you want this, but I have broken it down as follows: on the particular type of house under discussion the labour cost, not including the sub-contracts for plumbing, electrical work, sheet metal and painting, was \$929.01; the material, not including plumbing, electrical, sheet metal and painting cost \$1,564.87; on the plumbing sub-contract, the amount was \$307.72; and on electrical work, the sub-contract was \$88; and the sheet metal sub-contract was \$19.85; the painting sub-contract \$204; the project overhead was \$861.91. And I would like to elaborate for a moment on that project overhead. This small project was set up largely with the idea of serving a small plant to give us some idea of the trend of costs under present day conditions and while this project overhead is \$861, admittedly high, it does not reflect the project overhead that would occur if the project was on a substantially larger number of units; but these figures I have given you add up to a total of \$3,975.36 for that particular house. And now, in addition to that, as I mentioned the other day, the cost of roads, water systems, heating units and power service brought the total cost of the unit up to \$4,598.48. It may be of interest here just to mention that in the disposition of that house the terms would be a down payment of \$459.84, a contract for two-thirds of \$4,598, which is \$3,065.65 which, worked out on a monthly payment plan on the sale to the veteran would cost him approximately \$15.33 per month plus his annual taxes. I imagine you may want to have that for the record. If there are any other questions, I shall be glad to answer them.

(Appendix J—Breakdown Van Norman design—No. 6A)

By the Chairman:

Q. Just in order to keep it all together, what were the annual taxes on those items per month?—A. The annual contract payment per month that the veteran would have to pay on his settlement contract would be \$15.33. In addition to that he would have his annual taxes.

Q. Do you know what those are?—A. The annual taxes on that property would be in the neighbourhood of \$50.

By Mr. McKay:

Q. That is based on a 25-year contract, is it?—A. That is right.

Mr. JUTRAS: Mr. Chairman, I have not had a chance to see the breakdown per province with regard to these small holdings, but I am very much under the impression that we are more or less drifting away from the first intent

and purpose of the Veterans' Land Act. I was under the impression, of course, that anything that came under this Act was primarily directed to settling veterans on land and also as part of that, settling veterans close to or in small towns or in the outskirts of cities,—veterans who had some interest in raising some products or getting something out of the land. I wonder now if we are not drifting away from that and if we are not actually putting on small holdings, on an acre of land, a lot of veterans who have no real desire to have, let us say, an acre, but who are more or less forced to take a small holding because it seemed about the only practical way of getting a home. For instance, in my province of Manitoba I am given to understand that, so far, there have been 255 small holding units. Out of the 255 I think there are close to 240 who have been settled in Winnipeg or around the city of Winnipeg, so there are only 15 for the rest of the province. I still claim that this Act was passed to settle these veterans throughout the province, and I can name many larger towns in Manitoba which would be ideal for this type of settlement. I have in mind, for instance, a town like Emerson where a large percentage of the town is made up of citizens who work in the customs house, immigration house and post-office inspection, on the boundary line. I can think of no better place for a scheme of that kind to be put in operation. I know that quite a large percentage of these employees actually went into the forces and some are back; and as yet I do not think anybody has been settled under that scheme although I know that some have expressed the desire to be so settled. Exactly why that situation exists, I do not know.

I should like Mr. Murchison to try to give us some indication as to why this scheme has developed into something almost, I will not say, urban but it has drifted away from rural to almost urban. I am very reluctant to admit the principle that we should cut this acre down to half an acre, because if we cut it down to half an acre we might as well cut it down to a quarter of an acre; and if they do not wish to have an acre, then they have no real desire to have any amount of land at all, and we might as well cut it off altogether. So I think there should be another provision some other place in the Department of Veterans Affairs to take care of those who want to settle in cities and that, as Mr. Croll pointed out at the last meeting, these two should be divorced one from the other. If the provisions are not adequate to provide for their housing in urban centres, then that should be improved, but we should not try to force a rural scheme into an urban one. I am quite sure that there must be some out of this total number who actually have no desire to be on an acre; but they have to take an acre, so they take it. I do not think that is a very good thing. I think that it is also a consequence of that fact that this has developed into veterans' project units. I think that the great majority here in this committee are not really basically in favour of these veterans' small towns or small communities anywhere. I venture to say we have some of those growing up around the city of Winnipeg and the suburbs of Winnipeg. I certainly do not think that this is feasible or that it should be encouraged. I still maintain that we should get away from this veterans' project unit of small communities and spread these out throughout the province, outside in the country, where they should be. Have you any indication as to why this has developed, Mr. Murchison?

The WITNESS: I think in my opening remarks, and also during the second meeting, I tried to give the committee some indication as to why our 1945 building program was distributed in the way that I have listed to the committee this morning. First of all, every one has to recognize that the majority of enlistments occurred from the urban centres of Canada. For instance, in the city of Toronto alone I understand there is a potential demobilization of approximately 150,000 men. In the city of greater Vancouver there is a potential demobilization of probably 60 per cent of the total enlistments that occurred in

the province of British Columbia. At Winnipeg you will find the same in just about the same proportions, and in Hamilton, Windsor, Montreal, Saint John and so on. It is in these larger centres that the greatest demobilization movement takes place, and it is also in those larger centres where the greatest volume of employment exists for those particular men.

By Mr. Jutras:

Q. Pardon me. I am sorry to interrupt you, but what do you mean when you say they are demobilized from the city? Do you not actually mean the men came from all over the province who enlisted in the city?—A. I mean that is where they enlisted from.

Q. They had to. They all enlisted from one city; for instance in Manitoba everybody in the province enlisted in Winnipeg, and everybody will be demobilized in Winnipeg.—A. That is quite understood. But at the same time, confining it entirely to men who enlisted in the city of Winnipeg and who will be discharged in the city of Winnipeg, you will find a very large percentage of the total enlistments from the whole province of Manitoba. That occurs in every city in every province in Canada. The program that we outlined for 1945 represents only a fraction, and a small fraction, of the enlistments that occurred in any city or any town. The reason it was distributed as it was is found in the very great difficulty of distributing that program on any wider basis, because of the difficulty in arranging contracts for construction and the difficulty in channelling supplies to those jobs. No one realizes and appreciates any more keenly than I do that this idea of small holdings should be given the widest possible distribution, and it is to that end that we are working. I think evidence of that is found in a directive that I sent out to our administrative offices on the 30th of August. I will just quote briefly from that circular which will, I think, supply a large part of the answer to the matter that has just been raised. I said:

Every community in Canada where a veteran seeks establishment under the Act which can be properly approved, is the approximate measure of the potential commitment over the next decade. Hence the necessity for checks and controls essential from a dominion standpoint but which also take into account some of the important local considerations and human factors if the work is to proceed without too many entangling procedures.

What I am particularly anxious to see develop is an application from this village, two or three from the next larger village, half a dozen from the next town and so on, all over Canada, to encourage these boys to come back to their home communities where they can be among their friends and be properly established under this small holding plan and avail themselves of the employment opportunities which exist in these local communities.

MR. KIDD: Hear, hear.

THE WITNESS: That was the essence of the plan at the outset. It has been applied thus far only in small degree to the number who should participate in the thing on the perimeters of our larger centres. Certainly when you have a problem such as you have in Hamilton or Toronto, with tens of thousands of men being discharged and a most serious and acute housing problem existing in those centres, that is the logical place to direct your first effort in the emergency period during demobilization. But I want to assure you, Mr. Chairman and gentlemen, that there has never been any thought in the minds of any of the responsible administrators that this idea was going to be permanently concentrated in our large places of population throughout the country. I have made it my business during the past six months to spend considerable time in the field.

I have covered a distance of 3,500 miles around the maritime shores of Canada, seeking ways and means to carry this idea into the fishing villages of the maritime provinces; because there is great need and great opportunity for the application of this Act in the commercial fishing industry on the maritime shores, and certainly it must be developed in the smaller villages, in these coves all around the coast where there are communities numbering anywhere from 50 to a few hundred. That is most certainly in our minds. But the difficulty, as I say, up to the present time has been channelling supplies and building materials to these smaller centres, and arranging contracts that would give the thing expression. In a recent visit across the country I have impressed that on all of our regional supervisors and district superintendents, to encourage the development of the small holding idea in the smaller centres throughout the country.

The CHAIRMAN: I wonder if we could proceed with this bill section by section and have the benefit of Mr. Murchison's advice on the things that are brought up on each section; because if we are going to take only another hour to-day and then two hours to-morrow, if we do not cover the whole proposed bill, I am afraid there will certainly be some we will not get an expression of opinion on.

Mr. MUTCH: It is not your idea to carry any of these, but just to get an expression. Is that not the idea?

The CHAIRMAN: Yes.

Mr. Ross: Just following up what Mr. Jutras said there are a few remarks I should like to make, although I do not want to repeat anything that has been said. I was a member of this committee which studied this Act in 1941. It would be very interesting to read some of the remarks of the minister at that time. In any country it is advisable to have a large percentage of our people settled on the land and when we started out to set up that Act, it was to settle people on the land, on farms, and consequently consideration was given this matter of small holdings. Certainly the principle that applied in the Act at that time is not being carried out to-day. I am not blaming Mr. Murchison and his staff for it, because if you take wartime housing or national housing or any of these undertakings in Canada to-day, due perhaps to the difficulties that he has been speaking of, to the matter of control, there is a decided centralization in large centres all through Canada which I think does not augur well for the future of this Act or for this country.

This is the time to discuss that very matter. Even, as Mr. Murchison said, if it is by force of circumstances, we all realize it is much better to do some of these things than to try to undo them. If these large concentrations are set up, three small holdings, near to the larger communities and cities today, you will never undo them in our time. That is something we have to guard against. Despite all Mr. Murchison said, the percentage of people who enlisted from rural areas have not the opportunity to take up small holdings today as they would have in the larger centres. That is true, and I know from experience. I believe it to be a very serious matter and one to which we should give much thought. For example, take your wartime housing, and your national housing. All these undertakings are decentralized away beyond all reason in this country today as a result of your controls. The fact is that you have to have group establishments in order to obtain your materials under the controls today. I have in mind a case where certain people spent their lives in a small rural community and those people made application for a small holding but they have not yet been able to obtain one. The whole thing is contrary to the principle of this Act which was set up for the purpose of settling a large percentage of our returning boys on farms. A further purpose was to set them up in small holdings near to where they could obtain employment and

at the same time use their small holdings in order to raise something for their table on the side. The way this Act is being carried out is quite contrary to that principle. We should guard against that.

By Mr. Emmerson:

Q. We have been getting reports from Mr. Murchison more particularly with respect to the building of homes on small holdings. Have there been any purchases of homes already established that have been on the market, small holdings in these various small towns and villages and coves around the maritime area that he was speaking about?—A. Yes, we have purchased a limited number. We are disappointed that we cannot purchase more. One of the reasons why such purchases have been so limited is, as I stated the other day, the fact that it stems from the national housing shortage. People who are possessed of places of that kind have been reluctant to dispose of them during the last two or three years because they themselves do not know where they will go to live should they sell their present holdings. I do not doubt there are a lot of people who own attractive small holdings today who would be disposed to sell them for a reasonable price if they only knew where they themselves might go to live. As to the question of whether we are able to buy small holdings which are already suitably equipped, we have done so, but the demand for that type of settlement is so far in excess of the supply and of existing property that, in order to meet even a fraction of such a demand, we must build extensively. While I am on my feet to answer that question, I think I should just add one word to the remarks of Colonel Ross as to the original idea of the bill. Before there is too much criticism directed toward the trend of the Act, at the present time, I think it is just as well, Mr. Chairman, to remember that when the original Act was under consideration great emphasis was given to the necessity of very careful selection of people who should be established as farmers. And it was felt by everyone on that committee that the small holding plan would act as a safety valve in a great many cases. Under that Act you might properly say to a candidate: you do not fit into the agricultural scheme of this plan, here is the best substitute we can give you, a little plot of land and a job which you know how to do. I believe that if there were a drive put on to curtail very definitely what may be done under this small holding plan it would be helpful. Otherwise you will probably wind up with increased pressure, and the result will be that you will put a whole lot of people on farms who should not be put there.

By Mr. Blair:

Q. I should like to ask Mr. Murchison something about the construction of those houses which are four miles out from Kingston. There you are placing fifty or sixty people on sixty acres of land. Upon looking over the construction of the houses according to the plan, I felt that I should like to know something about the sanitary arrangements. You stated at the last meeting of the committee that water was not a serious factor with regard to the construction of these houses. I presume these houses will be served by septic tanks and artesian wells. I doubt if you could get one that would measure up to hygienic requirements. If no local improvements are put in those places in the way of sewage and water, what is going to happen?—A. So far as this particular project is concerned it so happens that it is practically adjoining Lake Ontario and the lake will be the source of water supply for that particular project if it is developed.

Q. Then you will bring water in from Lake Ontario?—A. Yes, water will be brought in from Lake Ontario; it will be pumped in.

Q. Will that follow in the case of all those community groups which will be affected?—A. No. In a great many cases we are hitching on to municipal water systems.

Q. But in our case that would be four miles out from Kingston, and it would be quite a proposition?—A. Well, we can develop our own system around lake Ontario. On the other hand, close to Ottawa and in eastern Ontario there is a problem of water shortage if you try to rely on shallow wells. Just to illustrate how these things are solved, I would refer to a very attractive looking project we have over on the Aylmer road where two wells have been drilled. Exhaustive tests have been made, and certainly there is enough water available from those two wells. The water is being piped to the various homes on the project. These things are carefully considered from an engineering standpoint. Again, out on the Prescott highway there are two wells sunk, and if my recollection is correct they have a production capacity of 10,000 gallons a day each. That fact was determined under exhaustive tests.

Q. But that water is hard. It would not do for household purposes?

Mr. MUTCH: What nonsense!

The WITNESS: Well, it is water and we won't make use of water that is not fit for human consumption. In a great many cases it has been possible for us to hook on to municipal water systems. But if that cannot be done, and if there is not a reasonable water supply in sight, then we do not proceed with the project.

By Mr. Wright:

Q. Just in order that Mr. Murchison may not get the wrong idea of the opinion of this committee with regard to small holdings, let me say that I do not think the committee is opposed to small holdings but rather to the concentration of small holdings in the larger centres. I was a member of the committee in 1942 that was given the opportunity to discuss this Veterans' Land Act when it was brought into effect. I know that I, for one, was alarmed at that time lest there be a pushing onto farms of too many people who were not suitable for farming, yet I was in favour of small holdings. But it would appear now as if there has been considerable difficulty in securing suitable farms, and the inclination now appears to be to push people who might make suitable farmers on to small holdings because of the fact that suitable land is not available at a price which the Board can pay under the present Act. Would Mr. Murchison care to comment?—A. Of course there has always been difficulty in buying all the land that is required; but I do not think we have reached the point where we should concede that the present price ceiling in the Act is unworkable. It is true that our purchases of land in advance of actual settlement have been limited and quite properly so. We had no idea when the war was going to wind up, and we had no business to take over thousands and thousands of farms to administer. To do so would involve a great deal of administrative difficulty. So we were very careful in our selection of land that we purchased for that purpose. Large numbers of veterans have been issued qualification certificates under the Act and those veterans have had the opportunity to seek out opportunities in their own community. So I think we should reserve judgment as to the workability of the present price ceiling, so far as farms are concerned. In other words, if I may put it this way. Let us take Mr. Wright's own province of Saskatchewan where we have quite an efficient staff, but, after all, a relatively limited one. Now, the seeking out that can be done by an organization of a department of the federal government is one thing, and what can be accomplished say, by 1,500 or 2,000 veterans who have been issued with qualification certificates, is quite another thing because those veterans can find likely propositions which would never be exposed to us as a department of the federal government at all. So I feel hopeful that, as the number of qualified veterans increases, and as they have an opportunity to seek out settlement opportunities in their home communities, that

there will be quite a large number of them who will come forward with a proposal. It may be a proposal in which the department will make the full contribution. There may be some proposals in which the veterans' parents will have collaborated with them and are making some contribution towards helping the veteran to acquire a farm which they deem suitable in that particular community. I think the result of the settlement operations up to date bears out that fact. We have abundant evidence, thus far, of a willingness and determination on the part of a few parents of those boys to make quite a substantial contribution, or perhaps I should say, to give them quite a substantial leg up, if I may use that term, towards finding settlement opportunity in their home community.

Mr. PROBE: I am very pleased with what Mr. Murchison has stated just now, that it is the policy of his department to give considerable latitude to the individual in seeking out and recommending land to be purchased. I am afraid that, before I came to this meeting I was under the impression that such was not being done. Many letters I received indicated that impediments were being put in the way of allowing individuals to select and recommend to the Department of Veterans' Affairs lands suitable, as they thought, for their rehabilitation; and it was suggested that the idea might be extended to the small holding plan. There has been an administrative delay in either accepting or turning down applications on behalf of too many veterans for small holdings particularly, and I think even in the case of full time farming. The Veterans' Land Act administration should be thanked for having started this project of 3,000 houses all over the Dominion of Canada even though there are some objections to undue concentration. We should get as many of our veterans settled as are suitable, and if we mean anything by what we say in our legislation we want all of them settled who are possibly suitable without too many strings attached to the Veterans' Land Act administrative staff. We will accomplish that purpose much more rapidly if the men themselves are allowed to go out and find a plot of ground, find a contractor and select their design for approval by the Veterans' Land Act people. As I say we need a little quicker decision on the part of the Veterans' Land Act staff and more sympathetic consideration. I know that Mr. Murchison perhaps has in the back of his mind some of the difficulties that they had following the last war when they settled people holus bolus on land that was unsuitable, and he is trying to avoid that this time. In that I definitely concur but I think he has gone to the other extreme and made it far too difficult to receive the official blessing on something that the veteran wishes to initiate on his own behalf.

I remember Mr. Murchison saying to us overseas in effect that at the time he was there there were inspectors under the Veterans' Land Act actually out negotiating for suitable parcels of farming lands and small holdings so that there would be a fairly free and rapid settlement program in effect when the boys started to return in numbers. That has not worked out in spite of his assurance to us at that time that it was being attempted. I think we should place more emphasis on the individual doing his own selecting of a site and arranging for a building contractor in the case of the small holding. He will argue that it will be difficult to funnel supplies to the building site in villages or towns where there are not stock piles already built up on behalf of the Veterans' Land Act. There are several ways we can get around that. I want to remind the committee that the Veterans' Land Act have secured 25,000,000 board feet of lumber, in the words of Mr. Murchison, for small holdings, 3,000 buildings in the small holdings field. That 25,000,000 board feet of lumber is 4 per cent of the lumber that was exported from Canada in the first eight months of this year. If we are going to settle these veterans, if we are serious about settling them, and if our first instinct as Canadians is not to corral the export market for lumber I think it is time that the Veterans' Land Act administration made a positive recommenda-

tion to the cabinet that the undue export of lumber be curtailed until the needs of our veterans are met. I think that is the responsibility of the director. There is no reason in the world why we should not have 50,000,000 board feet or 100,000,000 board feet of lumber, and also other building supplies in proportion, made available to these men who have offered their lives to their country, who are coming back now and have not a roof over their heads.

This is tied in with the problem that the Minister of Veterans' Affairs spoke about this morning in connection with the matter of boys going to universities as to the high rents they have to pay, the inadequacy of the \$60 or \$80 a month which amount would be a generous allotment if living conditions were cheap. We are not properly getting to grips with the problem. It is a national problem and we are dabbling with it. 3,000 houses in two years of effort on the part of a large department is not a large scale operation, and 10 houses completed after two years of administration suggests to me the failure of the department. I believe Mr. Murchison as the man in charge of the Veterans' Land Act should force the hand of the cabinet to decide whether or not we are going to allow exports of materials which we need here.

Mr. HERRIDGE: That is up to us.

Mr. PROBE: Or up to us. Mr. Murchison has his responsibility there, too. He cannot get materials beyond the 25,000,000 feet of lumber he has already secured. I am indicating to him where the material can be obtained. We, as members of the committee, should urge on the government that there are materials available if we take the necessary drastic steps, shall we say, to secure those materials.

Mr. MUTCH: You are spoiling a good argument.

Mr. PROBE: No, I am not spoiling a good argument. It is a sound argument. I may express it poorly but the gist is there.

Mr. CROLL: You mean well.

Mr. PROBE: You bet I mean well. There is one other angle. According to the information I have at the moment veterans are barred from making any deal through real estate agents.

By Mr. Probe:

Q. Is that correct?—A. Yes.

Mr. PROBE: Real estate agents are not all parasites. I think a veteran working on his own behalf can make just as good a deal with a real estate agent as the Veterans' Land Act administration can with private owners or with other real estate men in the Windsor area or elsewhere on the basis of the experience we have already had. I feel if it is a good deal, if it is a fair deal, if the price is right, there is no reason why we should not buy through the real estate dealer.

Mr. Ross (*Souris*): There is every reason in the world from past experience with the Soldiers' Settlement Board.

Mr. PROBE: As well as from private owners. With that I sit down, but there is the crux of the situation. Stop these supplies from leaving our country and we can settle our veterans.

Mr. QUELCH: I will be very brief but it seems to me that one side of the argument has been stressed, that is, the danger of centralization, centralizing too many of the small holdings around large cities. I should like to mention the other side of the argument, and it is this. The idea of the scheme originally was to settle men on small holdings who could obtain a job. They would have a job in industry and then they would supplement that by developing the small holding. Therefore, the success of the small holding will depend upon settling that individual at a place where he can obtain a job. What do we find has

actually happened today? In Alberta on the main line of the C.P.R. between Edmonton and Calgary there is a very nice little town—I will not mention the name of it—at which point the board have built a number of homes on small holdings. It is a very nice spot, but the town council realizes that the number of jobs in that small town is limited. Therefore, they have now written to the Soldiers' Settlement Board asking whether they can give them assurance that if these men cannot obtain jobs that they will not be responsible for giving these men relief. That is the other side of the question. Therefore, you have got to be very careful not to establish these men around small towns that cannot provide employment. That is why I think that perhaps this scheme may work in very well with the building up of small businesses instead of depending upon jobs. I should like to see this worked in conjunction with a plan whereby men could be helped to set up small businesses of their own, whether it be a garage, a tourist camp or something of that kind. There is no provision for that. That would provide employment outside the present scope of the Act.

Mr. CRUICKSHANK: I should like to ask Mr. Murchison a question.

The CHAIRMAN: Mr. Moore has the floor.

Mr. MOORE: I will be brief. I do not know whether this is the proper time to deal with specific cases or not. I had a letter from a man who has served five and a half years overseas in the army. He desired to go into farming. He has settled in the Yorkton district but prior to his settlement there while in England as a service man he married an English girl. When he comes back to Canada and tries to get re-established on a farm the board has advised him that they do not consider he is enthusiastic enough about farming so that the farming project was turned down. Then he asked the land settlement board if they would consider allowing him a small holding of six acres, the prospect being the establishment of a filling station. The answer was there was no guaranteed yearly income from this source. Does the board mean that for re-establishment in a small holding the veteran must have some reason to believe he will have a guaranteed yearly income in addition to the small holding?

The WITNESS: There must be some reasonable assurance of fairly constant employment which will provide the income with which the man must live.

By Mr. Moore:

Q. Possibly I did not make myself quite clear. What I meant was suppose a veteran is established on one of these small holdings and he has a seasonable job that will last six months in a year. Would that be considered sufficient? —A. Surely, provided his prospective income had some reasonable relationship with the nature of the contract he signed with the department.

By Mr. Adamson:

Q. I should like to ask Mr. Murchison a question. I come from one of those ridings where everything is apparently being centralized. A greater number of industries are coming into it in the next two or three years than in the ten or fifteen years before the war, so there is going to be a very large concentration of industry. It surrounds the city of Toronto. There are a great number of market gardeners, small holders, vegetable growers, and so on. I wonder what success the department has had because to make a living these men will have to take four or five crops off the soil. Taxes are heavy. Land costs as much as \$1,000 to \$2,000 an acre. It is extremely hard and concentrated work. The growers there have to have very considerable capital. They nearly all work in conjunction with green houses. Can you tell me what success you have been having in a riding such as mine around Toronto or around any other large city?—A. Of course, the type of establishment to which you refer, as I understand your question, is really the establishment of a veteran on a small holding, but on a full time specialized farming basis.

Q. No, not necessarily, because some of the men work in the winter time when they are not cropping. In the summer time they are taking off at least three crops, nearly always four, and sometimes five in the season.—A. Thus far we have not encountered very many veterans who, in our judgment, and on their records, have very much knowledge or appreciation of the very hard work involved in that specialized type of production. They are very few and far between. We have the odd case where that crops up. I recall one in particular. It does not happen to be close to Toronto but the principle is the same. It is close to Wallaceburg where land is just as dear as it is near Toronto. This boy was born and brought up in the greenhouse business working with his father. His father is one of the outstanding greenhouse people in that district. This boy came back and his father wanted him to stay with him. There was lots of room for employment there but the boy wanted a piece of land of his own. His father agreed to turn over twelve acres of land, I think it was, and we advanced \$4,800 to put greenhouses on it for that son. He is going to live with his father until he gets married. We consider it a good sound establishment because that boy is an expert greenhouse man. These are things that all have to be dealt with on their individual merits. It is my belief, from what I have seen thus far, that there will be large numbers of these boys who will take hold of a small holding, who will develop it along various lines depending upon their particular aptitudes or the interest of their own families. It will not follow a common pattern. In one place it will be poultry, in another place it will be bush fruit, in another place it will be tree fruit, in another place it will be horticulture, and so on, but these are things I am convinced will gradually develop as long as the veteran and his family take some degree of interest in the land with which they have been supplied. All I can say generally is that thus far we have not encountered any large number of veterans interested in small holdings who are in fact specialists in production of these specialized crops; but I do think it will develop as time goes on and they develop skill.

Mr. ADAMSON: The reason I asked that question was because of the cost of the land. In the district from which I come there are large areas which are almost entirely in specialized crops, and it seems to me that it is really difficult to take a small holding and make a go of it. I was wondering if there really was much of a demand for it?

Mr. CRUICKSHANK: Mr. Chairman, I would like to ask the director a question. I have had a number of complaints from the soldiers about these buildings and about who is to get them. I have tried many times and in many ways to get an answer to this question, and now that we have the director here I am going to put it to him and see if I can get it answered. One answer I got was that we haven't got the machinery necessary adequately to handle it, or that we might do so-and-so. I am not blaming the director for this. Perhaps we members are as much to blame as anybody else because we do not tell the government what to do. What I am interested in though is how they are going to be allotted. Take these 25 homes—and they are not hog pens by any means—who is going to say who it to get first choice on these houses? I may tell the committee in regard to this, Mr. Chairman, that up in my district in the Fraser valley, we have an excellent rehabilitation committee, a committee that went out and got jobs for 75 veterans coming back. I have been asking this question on the order paper, on the orders of the day, and everywhere else and I cannot get an answer to it, even from the minister. I did get an answer in the gaelic language which I could not understand—but I do want to get an answer. As I say, we had this rehabilitation committee up there who went out and got jobs for 75 veterans. And now, what I am interested in is how are these homes going to be allotted when completed—God knows when that will be. When they are completed, will the local veteran get first choice or will someone of the

veterans from say Toronto or somewhere else, get these holdings? As far as I am concerned, I think the men of the particular district, the men who are in the district, should get them. I do not think that even men from other parts of the Fraser Valley should come in and have them allotted to them. I think these homes should go to our own citizens first. But, Mr. Chairman, the question to which I would like to have an answer is this: how are these homes going to be allotted? Will the men on the spot have first choice when these homes are completed?

The WITNESS: That same question was asked at the last meeting, Mr. Chairman.

Mr. CRUICKSHANK: I am sorry, I was not here.

The WITNESS: As I said the other day, that is the \$64 question; I had hoped that no one would ask.

Mr. CRUICKSHANK: What was the answer?

Mr. MUTCH: Did you build these homes before you had contracts placed for them?

The WITNESS: We did on this 1945 program, because we could not wait until we got the individual applications for every one of them.

Mr. PROBE: That is good. That is initiative.

The WITNESS: We did proceed on a general policy of need.

Mr. CROLL: One way of handling it would be to leave it to the politicians; the local member might be asked to choose who is the one to get it.

Mr. MUTCH: That is a swell idea.

The WITNESS: As I said the other day, a good deal of study has been given to that particular problem with a view to working out a formula that will be the fairest we can devise; although, we realize that regardless of how we do it we are not going to be free of criticism. We do fill that, first, the boy who has served outside of Canada is given the first shot at one of these houses; and second, that the boy who derives from the district where these are being built should have a priority over a man who comes from somewhere else. But even with those yardsticks there is bound to be some heart burning because of variations in need, and the variations that occurred even in service outside of Canada. I cannot go beyond a certain point in making these decisions, but we will try to be as fair as we can. Any help that we can get from the local member or the local citizens' rehabilitation committee to take some of that grief off our shoulders will be very greatly appreciated. It is not a simple problem. I have discussed it with all of our administrative staff. We have considered using the ballot system. The ballot system is all right up to a point, but it has some rather serious defects—but I do not want to go into all the details.

Mr. CROLL: Do you mean that we should resolve the ballot system with all its difficulties?

The WITNESS: I am not talking about general elections, I am talking about disposing of the houses. I think, Mr. Chairman, that that is about all I should say on the thing. We are endeavouring to be fair in keeping these two main counts in mind as to priority; the man who has had service outside of the country and the man who derives from the district. But we have to keep this clearly in our mind, that we cannot hoard completed housing five minutes after it is completed without running into criticism because the need for housing is so great. In other words, if there is no local veteran with service overseas who is willing to buy that particular house as soon as it is completed, then we have to widen our pattern and give somebody else a chance, because we cannot stand hoarding houses.

By Mr. Cruickshank:

Q. Let me follow that up. I think the director's explanation is very clear. It is the first time I have ever agreed with the soldier settlement board on anything.—A. Thank you very much.

The CHAIRMAN: You must be slipping.

By Mr. Cruickshank:

Q. My understanding of it is this, that first choice will go to the local veteran if he will buy?—A. The first question is, has he got service overseas.

Q. Everybody knows Cruickshank; if he hasn't got service overseas he doesn't get anything as far as I am concerned. I don't mind that being in the record of all. But as I understand it, that is to be the policy of the board, first preference will be given to local overseas men?—A. Yes.

Q. I know the difficulty of handling it but supposing 50 men come along and want to buy these houses and there are only 25 houses available, which 25 men are going to get the houses? You have answered that it is the policy of the board that the local overseas men would get first choice. All right. Will you follow that up with the local advisory board being consulted? I am telling you how you can do it in my constituency, and I will be satisfied if you will permit the local advisory board which has been appointed to do it, not one of your own men, not some official in the Fraser valley at least. These questions ought to be decided by the Legion or the municipality, not by any politician. I am perfectly satisfied if it is left in the hands of the local advisory board. You have 50 applicants for 25 homes. As I understand it the matter is now dealt with by an official of your department. All right. Will you let our local advisory board consult with one of your officials and let the local advisory board decide who will get these homes?—A. You are referring to?

Q. Small holdings.—A. —to the regional advisory committee set up under the order in council?

Q. Yes.—A. They would have to approve it in any event, Mr. Cruickshank, because it involves the approval of a loan. They would need to pass through that machinery any way to be established; these committees will be used for that purpose.

Q. That is, that the committees will decide who will get the 25 houses if there are 50 applicants. You asked for an answer to your \$64 question, I am giving you a \$72 answer.—A. I do not know whether I understand it.

Mr. CROLL: May I follow up for just one moment what Mr. Probe said? I am not going to deal with the questions he covered, but he did mention a thing which interested me following what you said, Mr. Murchison, about your men going out to find, locate and purchase a property. Then Mr. Probe followed up by saying there are large groups of men in this country called realtors, that is the name, in the rural areas and in the urban areas. Then I heard many members say things which made it appear that they were a little disgruntled about Mr. Probe's suggestion. I am comparatively new to this committee. I was not here in 1942, and there are a lot of other members who were not here in 1942. These men to whom I have referred had a first class reputation for good dealings then, and they still have. It strikes me when I hear observations from rural members and urban members that these real estate people know where the property is, they have extensive knowledge of local conditions, and they might be able to locate properties and they are anxious to put some practical effect to their knowledge and experience. But when the soldier comes along to the realtor the attitude he meets seems to be this: so far as I am able I shall be glad to be of service to you; I am glad to do a little for you; I cannot do a great deal; there is nothing in it for me at all. Consequently they do not display as much interest as they might.

It may be that you have a good answer for that. I have no doubt you have, and I would like to hear it. Would you mind telling me why they are not used, and what the objection to them is?

The WITNESS: Well, first of all, Mr. Chairman and gentlemen, section 33 in the Veterans' Land Act is actually a section which was taken from and which was in the Soldier Settlement Act 25 years ago. It is rather a big subject to answer in a few sentences. Like Mr. Probe and Mr. Croll, I believe that the average real estate dealer is an honourable and decent citizen. That is the way he makes his living. He is a recognized member of our Canadian society. On the other hand we have to keep this clearly in mind so far as administration is concerned, that we are operating all over Canada. We have representatives out appraising in the highways and byways of the country. We must place full reliance on the honesty of these people who are out examining property for us. They are paid to do a certain job. And without in any way suggesting that the staff employed under the Veterans' Land Act or under the Soldier Settlement Act are dishonest or were dishonest, I suggest to you that there is a constant field of temptation there if they are going to be working practically every day more or less in close conjunction with real estate men representing the veterans on the properties concerned. We have heard a lot about the ability of the real estate agents to give a better valuation of the property than the representative of this department. I am not questioning their ability. I am just going to state as a few facts the recognition that has been given to the staff of the Director of Soldier Settlement and of the Veterans' Land Act over quite a period of time. First of all, during the debt adjustment processes of the 1930's, the appraisal staff of the Director of Soldiers' Settlement was named as the official appraising agency for the purpose of that Act, and in the course of which they made many thousands of appraisements of property all over Canada for debt adjustment purposes.

By the Chairman:

Q. You are speaking of the Farmers' Creditors Arrangement Act.—A. Yes, the Farmers' Creditors Arrangement Act. We were officially designated as the official appraising agency for the purpose of that Act. We were also designated as the appraisal agency at the time the Central Mortgage Bank Bill was considered in 1939. We have also been drawn into the operations of the Canadian Farm Loan Board all over Canada until they set up their own appraising agency. Now, I think that with official recognition of that kind, the least we can say is that there has been public recognition of the ability of a staff which has been built up over the past 25 years. There is the ability there to properly examine and appraise real property, so that it is not necessary in the average case to call in the services of a real estate agent, who derives a commission from the vendor, to help to appraise that property.

Now I will put it on another practical level. Suppose for the sake of discussion that section 33 of the Act were repealed, thus giving to the real estate industry a status in the operation of this Act. What would be the practical effect? What would be the probable difficulty? I think that, in the average town of any size, there are at least one or two people engaged in the real estate business and in the larger centres there are many. So first of all we have the case where a veteran contacts a given real estate agent who introduces him to the vendor of a certain piece of property. He is shown the property and he thinks he likes it, and he likes the price; and the real estate man brings the veteran in and produces an application by that veteran to purchase that particular property. Certainly we would have to check on it, to examine that property. We would have to put one of our own appraisers on it. But we will assume for the sake of discussion that it was found to be all right, that the deal was approved and the land was purchased. Everybody up to that point

was pretty happy because we will assume the real estate agent collects his normal commission from the vendor of the land. But the next day his opposition in town has another veteran in tow who finds another proposition and goes through the same procedure, comes into our office and introduces another deal which, on investigation, we find to be unsatisfactory and we refuse to proceed with it. What happens? First of all, you have got the real estate agent who is suspicious that there is something wrong with the other deal because it got through. He says, "How is it the other real estate agent can get the thing done and I cannot? There is something wrong there." The next development would be letters coming in to the minister, or coming in to myself or to you gentlemen, saying that "there must be something wrong somewhere because so-and-so can do business with this outfit and I cannot." I have enough headaches without trying to answer a lot of complaints of that kind. I am not making these statements with the slightest thought of charging dishonesty to any one. I am simply stating a situation which I am satisfied would arise.

By Mr. Probe:

Q. But you use the equivalent practice in buying your supplies, because you go through the regular channels of trade, by preference?—A. Yes. But in buying merchandise off the shelves—I do not care whether it is lumber or shoe laces—you have established channels of trade; you have established ranges of prices; you have comparable goods. When you are buying farms, there are no two farms exactly the same and you must rely on individual inspection and sound information as to value before you buy. That is the reason why there is so much difficulty in dealing with this thing if it is enlarged to make use of the services of what I realize is a valuable body of opinion as to value throughout the country; but because of the practical difficulties I regret that I must oppose it as an administrator.

The CHAIRMAN: The deputy minister has been associated with this argument which has gone on steadily ever since the Soldiers' Settlement Act had this section in it. I wonder if he would like to tell us anything about it.

Mr. Woods: In the final analysis, Mr. Chairman, if the committee concedes that the Veterans' Land Act administration is a competent organization to value land, then why should you require the veteran—who is the man that pays the commission—to pay commission? Why should you require him to pay a commission?

Some Hon. MEMBERS: Hear, hear.

Mr. Ross (*Souris*): I was just going to add that. As a member of the last committee, I want to support what Mr. Murchison has said: and I think there were very many who were members of that committee who were opposed to handling this thing through real estate firms. I say that in spite of the fact that many of my friends, most capable people, are real estate men in my own constituency. In one of the most deplorable land transactions we had in my province in the last six years or so—through another department altogether, may I say—the buck was passed to a real estate firm. I am not mentioning any names at all but that is just bearing out what Mr. Woods has said. We were unanimous that these land settlers should not be committed to the extra commission of the real estate agent in any case at all because these men on the board were supposed to be practical men and knew values. Even the implement companies make concessions with regard to commission on their farm machinery which is sold to the veteran settler. Therefore I think, no matter what a man's convictions, he should not mind being called upon to make some contribution or forego some commission to assist in the settlement of these men who have done so much for us.

Mr. GREEN: I do not think it is quite as simple as that. It may be with regard to farm properties; I do not know anything about them. But with regard to the small holdings, it just does not work out that way. I know of veterans who have come in to me and complained about being unable to get action on a property. They have to wait and wait for this Veterans' Land Act administration. In most cases the lands are listed with real estate firms and therefore can only be bought through those firms, with the result that the veteran has lost out in cases that have come to my knowledge. Mr. Woods suggests that the veteran is going to pay a commission.

Mr. WOODS: Yes.

Mr. GREEN: Actually I doubt very much whether, in the case of a small holding, the board buys one cent cheaper than the land could be bought through the regular agent who is handling that land. If it is bought through the agent, the commission is paid by the vendor.

Mr. WOODS: Yes.

Mr. GREEN: Not by the soldier at all.

Mr. WOODS: But it goes on the price.

Mr. GREEN: Do not let us run away with the idea that you are saving any money for the soldier. In many cases, by refusing to deal with the real estate agent you are just making it impossible for him to get the land he wants.

Mr. CRUICKSHANK: Why?

Mr. GREEN: Because the land is listed only with real estate firms. You talk about the administration doing the inspection. That is perfectly all right. But you are asking the administration to go further. You are asking them to go out and buy the property, which is quite apart from the question of inspection and a part of its job which, I suggest, should be done by the agent of the vendor and in that way paid for by the vendor rather than by the soldier. I do not think it is just as simple as has been made out. Mr. Murchison brings up as an objection that he does not want to have to answer letters. If that is his best objection, it is not a very good one. It is time the Veterans' Land Act administration in Ottawa was combed over if that is one of their main reasons for refusing to consider this suggestion. Mr. Woods has taken a very arbitrary attitude about it. I repeat that it is not that simple. I only want to see the soldier get the best possible treatment, but I repeat that in my city I have known of cases where the veteran is losing out because of this arbitrary ruling by the board. There is, of course, an inference that the real estate men are a lot of thugs.

Mr. CRUICKSHANK: Oh, no, no.

Mr. GREEN: I am not talking about what individuals say, but the legislation. Actually in our province and in many other provinces these men are not only licensed but they are bonded. They treat their business as a profession just in the same way as the doctors do or the lawyers.

Mr. MUTCH: That is not fair.

Mr. GREEN: That is a serious reflection on their character. However, I do not stress that point.

The CHAIRMAN: In fairness to Mr. Murchison and the deputy minister, you will say that their attitude is based upon the consistent legislative attitude of our parliament for the last 25 years.

Mr. GREEN: Yes, that is so. I think perhaps the trouble has arisen because of the prominence that is now being taken by the small holding side of this legislation.

Mr. CROLL: That is right.

Mr. GREEN: I suggest to the committee that some further consideration be given to this whole question without simply slamming the door on it.

Mr. CRUICKSHANK: Mr. Chairman, I want to say one thing and I want it noted. My own campaign manager was a real estate agent and I want it to be on record most emphatically, and I hope I am loud enough, that Mr. Green was not speaking the sentiments of this committee in suggesting that in any way shape or form real estate agents are thugs. I am not suggesting that for one minute. It is the principle that we are discussing. I might suggest that my campaign was too honest or else I would have got a bigger majority.

Mr. HARKNESS: I think Mr. Green has brought up an important point, that veterans in many cases are not able to purchase the places they want because they are listed with real estate agents and no dealings can be carried on with real estate agents. I think the thing should be made flexible enough so that property of that sort which veterans could use and want, could be secured even though they very often have to be secured from a real estate agent. I do not know what amendment could be made to this section to cover the thing, but I see no reason in the world why a man should be deprived of that opportunity. I know of at least two cases in Calgary or on the outskirts of Calgary where the veteran could not get the property he wanted because it was listed with a real estate agent.

Mr. Mutch: Mr. Chairman, it is now 12.30. I think it is apparent to every member of the committee that our decision earlier this morning was a wise one, to defer the consideration of this particular legislation until we could get another Act through during this session. I should like to move that we amend our decision this morning to the extent that we cease consideration of the Veterans' Land Act, since we are not to complete it during the present session, and that we proceed at our next meeting with the other bill which we decided earlier this morning is important and which requires legislation somewhat urgently. I am quite sure that this final discussion of this particular bit of legislation will not be advanced very much in one more period, because there is a divergency of view and there is a very sincere desire for amendment and reconsideration in many respects. I think perhaps if we have agreed—and we did—to defer it, we might as well drop it as of now and turn our deliberations tomorrow to the new legislation. I should like to make that motion, and Mr. Probe will second it.

The CHAIRMAN: Gentlemen, it is for the committee to say. It was decided, in the early part of the meeting, in view of the decisions which are apparently being taken to try to bring the session to an end within the next month, that if we were to get one more bill into the House, we will probably be doing very well, that is to say, if we could get one more bill considered by the House before prorogation. So the committee decided that we should try to put through the bill, or try to consider the bill and report it to parliament in regard to rehabilitation allowances. Now it was suggested that we take another day to continue to hear any submissions from the members having to do with the various parts of the Veterans' Land Act. Mr. Mutch's motion is: that we do not take any further time to consider the Veterans' Land Act, but that we should to-morrow take up the consideration of the Rehabilitation Allowances Act.

Mr. Ross (*Souris*): You mean that we do not take further time at this time?

The CHAIRMAN: Yes, at the present time. Does anyone wish to speak to that suggestion from Mr. Mutch?

Mr. CRUICKSHANK: It would not rule out a discussion of the Act at this session?

Mr. CROLL: We won't get to it, George, at this session.

Mr. CRUICKSHANK: Well, I presume that once we have finished with the new bill, we can go back to the Veterans' Land Act?

The CHAIRMAN: We can do whatever the committee wishes to do, either resume the Veterans' Land Act, or take up something else.

Mr. KIDD: I had intended to follow up the small holdings Act. When will it be back again?

The CHAIRMAN: If this motion carries, I have a very good idea that it won't be back this session.

Mr. KIDD: Then may I have two minutes, just two minutes?

The CHAIRMAN: Mr. Kidd wants a couple of minutes.

Mr. MUTCH: If we can save an hour with two minutes, very well go ahead.

Mr. KIDD: When Mr. Murchison went into the Kingston situation, he told us that they were going to build, about four miles from Kingston, a place for fifty or sixty returned soldiers. That is all he is going to do with respect to Kingston. To-day we have two hundred returned soldiers walking the streets of Kingston and nothing will be done for those men. I am going to urge you, Mr. Murchison, and the department to do as much as you can to put legislation through so that when the individual soldier comes back, he may have something. I have before me the case of a skilled mechanic who is just back from overseas. His mother is an old-age pensioner and with her resides a maiden sister. We are doing nothing for that man. He is a boy who could take a lot and build a garden on it and construct a home for himself near his church and near his school. I think we should do something for that type of man in a city like Kingston. What I have to say applies to every other county and town right across Canada. We should do something for them.

The CHAIRMAN: Is it the wish of the committee to pass Mr. Mutch's motion? Carried!

The WITNESS: I would like to say a word before you go.

Mr. GREEN: What was the motion?

The CHAIRMAN: The motion of Mr. Mutch is that we discontinue consideration of the Veterans' Land Act at the present time and start consideration, at the next meeting, of the draft proposed bill to provide rehabilitation allowances for veterans.

Mr. GREEN: As I understand it that proposed bill is merely to put into the form of legislation what is already an order in council.

Mr. CROLL: To a great extent.

Mr. GREEN: Is that not the case?

The CHAIRMAN: That is correct, yes.

Mr. GREEN: So that the veteran will not lose his rights even if it remains an order in council. Our previous decision was that the Veterans' Land Act was the most important piece of legislation after the War Services Grants Act. Unfortunately I was not here for the opening of the committee this morning, but now, apparently, the Veteran's Land Act is to be left over until next year. That is, the amendments will not be passed until, perhaps, May. Time is precious. Mr. Murchison told us the other day that it was expected that 35,000 applications would be received by the end of 1946, although he expected that only one-half of them would have been dealt with. That shows, I think, the seriousness of the situation. It shows there is something wrong. Something has to be done to hurry up this whole land settlement plan. Personally I do not understand why, under those circumstances, the Veterans' Land Act should be put off and the other measure given priority. I suggest that this committee give some further consideration to that idea. We could

handle both of them actually. We are going to sit while the House is sitting. I have thought, right through, that we could deal easily with the two of them. Now you are practically admitting that we are only going to get one more bill through. We will probably be here for another five weeks, until the middle of December, and I think the House will likely be sitting in the morning and on Saturdays before very long. I think we could get through with at least three measures.

Mr. MUTCH: It was unfortunate that Mr. Green was not here when the matter was discussed this morning. There was unanimous consent. All my motion is: that we take this other legislation tomorrow rather than on Monday. It was unanimously agreed this morning that after tomorrow this other legislation would be taken into consideration. My motion meant only that. It was perfectly obvious that we could not achieve any considerable progress in one session, but we hoped that we could dispose of this matter quickly enough to come back and finish it. I have no feeling or objection in the matter one way or the other. The minister and the deputy minister agreed to come on Monday and to give us certain information when we started that consideration. It has already been agreed in the committee, unanimously, as to the procedure with respect to the bill.

Mr. GREEN: There has been no change. This Veterans' Land Act was brought in on Monday last and has been under consideration for only three days. It was brought in on Monday by recommendation of the steering committee and approved by that committee. We have known, all along, what the situation would be in the House, and how much time we had, and that we could sit while the House was sitting. Now, why is it, when we have received just one-half the story that we shelve this thing and start something else?

Mr. MUTCH: As far as I am concerned I have no feeling one way or the other.

Mr. GREEN: In the first place, a recommendation of that kind should have been considered first by the steering committee, rather than being thrown into this committee this morning. I suggest now that we are not being business-like at all. Let us get finished with this Veterans' Land Act first, and carry on with the other when we come to it. We can do both of them. Perhaps we can do more than that.

The CHAIRMAN: I want you to be perfectly clear, and I hope that Mr. Green is perfectly clear that this was a decision of the whole committee. I have no wish one way or the other. My idea was that we should try to get the greatest possible benefit out of the time we have already spent in considering the Veterans' Land Act, by actually going over it, clause by clause, and by hearing suggestions from the members which might help in the interval. However, if it is considered that we have covered it adequately for the time being, until we actually come to drafting a proposed bill, then we could proceed at once to the consideration of the other bill. It is just a matter, as Mr. Mutch said, whether we take another day to proceed with the bill, clause by clause, and hear the director on each clause and hear submissions from any member who wishes to make them, or whether we should defer them until we have managed to report the proposed bill on rehabilitation allowances to the House. It is purely a matter for the committee to say whether they would like to spend another day in going through the Veterans' Land Act clause by clause and making their representations and hearing evidence on some things that may not have been dealt with. I am bound to say, myself, that I do not think we have given adequate consideration to the main purpose of this Act, the settlement of people on farms. We have spent all our time, practically, on the small holdings. I had hoped to have at least one session on the real and main purpose of the bill so that the opinion of the committee might be expressed to the directorate.

I had hoped to take at least one more day on it; but, as I say, I am entirely in the hands of the committee and it is up to you.

Mr. CRUICKSHANK: Can you tell me why the Rehabilitation Allowances Act is more important than the Veterans' Land Act?

The CHAIRMAN: There are many many important provisions in this bill, such as the question that comes up with regard to these boys who are attending universities now, and the man who has been away for four or five years, who comes back and finds it difficult to launch out into scholastic life and make a success of it. In short, we have such questions as whether we are being sufficiently generous towards a large group, and whether returned men are getting adequate allowances while waiting returns from their business. That is very important too.

Mr. CRUICKSHANK: I am very sorry that I was not here at ten thirty this morning. I entirely agree with Mr. Green. I cannot imagine anything more important to soldiers than the Veterans' Land Act. Right today, all across Canada, we have unemployment. We cannot put men to work, so why kill ourselves. The greatest safeguard is to send them back to the land, and here we have an Act to try to get them back on the farm, yet the other day the director told us that fifty per cent cannot get on farms. There is something wrong with the administration of the Veterans' Land Act, or with the Act, when they tell us, at this stage of the game, that they cannot put these men on the farms. Whether or not you passed that at ten thirty when Green and Cruickshank were not here when we should have been—although we could not be—I say that we should finish this Veterans' Land Act even if we have to sit a few Saturdays.

Mr. Mutch: There is just one point at issue, but if there is a desire to talk further, I would rather sit two hours tomorrow than half an hour today. So I withdraw my motion.

The CHAIRMAN: All right. We can consider Mr. Green's submission tomorrow so we will adjourn now until tomorrow at 10.30 a.m.

The committee adjourned at 12.44 to meet again tomorrow at 10.30 a.m.

APPENDIX "A"

MARITIMES—BY PROVINCES

THE VETERANS' LAND ACT—DISTRICT OFFICE ANALYSIS OF APPLICATIONS
FOR QUALIFICATION

FOR THE MONTH OF OCTOBER, 1945 AND FROM INCEPTION OF OPERATIONS TO DATE

OFFICE—SAINT JOHN, N.B.

Insert names of Regional Offices →	Prince Edward Island	Nova Scotia	New Brunswick	Total
DURING MONTH				
1. Applications received.....	90	196	173	459
2. Applications dealt with (a) Original.....	50	135	177	362
do (b) Subsequent to Original....	1	1	11	13
TO DATE				
3. Applications Received.....	351	804	857	2,012
4. Applications dealt with (a) Original.....	209	554	637	1,400
do (b) Subsequent to Original....	15	8	13	36
5. Qualified without training.....	140	353	450	943
6. Qualified after training (a) with F.....				
do (b) with C.F.....				
7. Total qualified—Full Time Farming.....	65	114	144	323
8. do —Small holdings.....	54	214	282	550
9. do —Commercial Fishing.....	21	25	24	70
10. Disqualified without training.....	70	168	130	368
11. Disqualified after training (a) with F.....				
do (b) with C.F.....				
12. Not yet qualified or disqualified.....	14	41	70	125
13. Qualification Certificates cancelled.....	3	15	29	47
TRAINING TO DATE				
14. Recommended for training (a) with F.....	4	10	4	18
do (b) with C.F.....				
15. In training at present (a) with F.....		1		1
do (b) with C.F.....				

NOTE:—The total of Sections 7 to 12 inclusive should equal Section 4. Training means gaining further experience with a practical Farmer (F) or Commercial Fisherman (C.F.). To be completed by District Offices from Regional Office returns at end of each calendar month, one copy to be sent to H.Q., one to each R.O. and one retained on file.

APPENDIX "B"

THE VETERANS' LAND ACT

SUMMARY OF LANDS APPRAISED AND PURCHASED

(INCLUDES LANDS PURCHASED FOR PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE
RESALE TO VETERANS)

AS AT OCTOBER 31, 1945

Full Time Farming—	Offices—→	Prince Edward Island	New Brunswick	Nova Scotia	Total Maritimes
1. Number of properties appraised.....		301	293	307	901
2. Number declined (low grade—price—or other reason).....		126	89	120	335
3. Number approved.....		137	168	165	470
4. Number actually purchased (title obtained)...		82	95	90	267
5. Total acreage purchased.....		14,572.00	13,086.00	11,533.00	39,191.00
6. Total purchase price..... \$		525,500 00	262,150 00	278,256 00	1,065,906 00
7. Average cost price per acre (including existing improvements)..... \$		36 06	20 20	24 15	27 19
8. Total acreage under cultivation..... \$		10,584 00	7,421 00	4,081 00	22,086 00
SMALL HOLDINGS—					
1. Number of properties appraised.....		58	191	156	405
2. Number declined (low grade—price—or other reason).....		7	44	25	76
3. Number approved.....		40	118	109	267
4. Number actually purchased (title obtained)...		28	80	67	175
5. Total acreage purchased.....		349.00	1,449 00	1,370 00	3,168 00
6. Total purchase price..... \$		63,732 00	182,720 00	127,690 00	374,142 00
7. Average cost price per acre (including existing improvements)..... \$		182 87	126 10	93 00	118 10
8. Total acreage under cultivation.....		250.00	582.00	504.00	1,336.00
COMMERCIAL FISHING—					
1. Number of properties appraised.....		6	7	12	25
2. Number declined (low grade—price—or other reason).....			1		1
3. Number approved.....		2	6	11	19
4. Number actually purchased (title obtained)...		1	3	5	9
5. Total acreage purchased.....		100	109	142.5	351.5
6. Total purchase price..... \$		800.00	9,375.00	6,275.00	16,450.00
7. Average cost price per acre (including existing improvements)..... \$		8.00	86.01	44.03	46.79
8. Total acreage under cultivation.....		16	37	33	86

NOTE.—To be prepared by D.O. by regional areas monthly. Original to H.O.; copy to each R.O.

APPENDIX C

TYPE OF ENTERPRISE—

FULL TIME FARMING

THE VETERANS' LAND ACT—ANALYSIS OF APPLICATIONS FOR
FINANCIAL ASSISTANCE(INCLUSIVE OF LANDS SOLD FROM PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE
TO VETERANS)

FOR THE MONTH OF OCTOBER, 1945. OFFICE ST. JOHN

Insert Names of Offices →	P.E.I.	N.S.	N.B.	Total
1. No. of applications received by D.O.....	15	16	36	67
2. No. declined.....	1	3	7	11
3. No. pending.....	1	.....	2	3
4. No. approved (Section 9).....	17	20	28	65
(a) Amount approved land and existing P.I..... \$	53,820 00	61,310 00	63,550 00	178,680 66
(b) Amount approved P.I. to be effected. \$	19,030 00	6,344 00	13,590 00	38,964 00
(c) Amount approved S. & E..... \$	17,800 00	21,900 00	32,250 00	71,950 00
(d) Total acreage approved for sale.....	1,671 00	2,453.50	4,142.00	8,212.50
(e) Excess purchase price paid by veterans. \$	1,500 00	.....	5,200 00	6,700 00
5. No. approved (Section 13).....	.....	.....	.....	.....
(a) Amount approved Rem. of Enc..... \$	.....	.....	.....	.....
(b) Amount approved P.I. to be effected.. \$	.....	.....	.....	.....
(c) Amount approved S. & E..... \$	.....	.....	.....	.....
FROM INCEPTION OF OPERATIONS TO DATE				
1. No. of applications received by D.O.....	46	66	97	209
2. No. declined.....	2	8	9	19
3. No. pending.....	18	18	39	75
4. No. approved (Section 9).....	26	38	45	109
(a) Amount approved land and existing P.I. \$	79,700 00	110,660 66	107,550 00	297,910 66
(b) Amount approved P.I. to be effected.. \$	24,640 00	13,822 00	18,720 00	57,182 00
(c) Amount approved S. & E..... \$	28,548 00	39,450 00	51,250 00	119,248 00
(d) Total acreage approved for sale.....	2,609.50	3,979.50	7,005.00	13,594.00
(e) Excess purchase price paid by veterans on land & P.I..... \$	1,500 00	900 00	5,200 00	7,600 00
5. No. approved (Section 13).....	.....	2	4	6
(a) Amount approved Rem. of Enc..... \$	.....	3,389 00	500 00	3,889 00
(b) Amount approved P.I. to be effected.. \$	.....	.....	1,525 00	1,525 00
(c) Amount approved S. & E..... \$	.....	.....	2,795 00	4,406 00

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O., copy to each R.O.

TYPE OF ENTERPRISE—

APPENDIX "D"

SMALL HOLDINGS

THE VETERANS' LAND ACT—ANALYSIS OF APPLICATIONS FOR FINANCIAL ASSISTANCE

(INCLUSIVE OF LANDS SOLD FROM PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS)

FOR THE MONTH OF OCTOBER, 1945

OFFICE: SAINT JOHN

Insert Names of Offices →	P.E.I.	N.S.	N.B.	Total
1. No. of applications received by D.O.....	5	22	23	50
2. No. declined.....	1	3	3	7
3. No. pending.....			3	3
4. No. approved (Section 9).....	6	20	34	60
(a) Amount approved land and existing P.I. \$	17,350 00	27,345 00	66,050 00	110,745 00
(b) Amount approved P.I. to be effected..... \$	6,150 00	33,730 00	71,350 00	111,230 00
(c) Amount approved S. & E..... \$	2,000 00	3,500 00	10,490 00	15,990 00
(d) Total acreage approved for sale.....	48.75	149.00	215.75	413.50
(e) Excess purchase price paid by veterans on land & P.I..... \$				
5. No. approved (Section 13).....				
(a) Amount approved Rem. of Enc..... \$				
(b) Amount approved P.I. to be effected..... \$				
(c) Amount approved S. & E..... \$				

FROM INCEPTION OF OPERATIONS TO DATE

1. No. of applications received by D.O.....	32	98	114	244
2. No. declined.....	2	6	5	13
3. No. pending.....	11	44	47	102
4. No. approved (Section 9).....	18	48	61	127
(a) Amount approved land and existing P.I..... \$	48,890 00	89,410 00	132,320 00	270,620 00
(b) Amount approved P.I. to be affected..... \$	14,250 00	51,437 73	101,255 00	166,942 73
(c) Amount approved S. & E..... \$	5,600 00	8,675 00	14,840 00	29,115 00
(d) Total acreage approved for sale.....	201.50	606.00	446.75	1,254.25
(e) Excess purchase price paid by veterans on land & P.I..... \$	1,500 00		3,250 00	4,750 00
5. No. approved (Section 13).....	1		1	2
(a) Amount approved Rem. of Enc..... \$			4,250 00	4,250 00
(b) Amount approved P.I. to be effected..... \$	1,500 00			1,500 00
(c) Amount approved S. & E..... \$				

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O., copy to each R.O.

TYPE OF ENTERPRISE—

COMMERCIAL FISHING

APPENDIX "E"

THE VETERANS' LAND ACT—ANALYSIS OF APPLICATIONS FOR FINANCIAL ASSISTANCE

(INCLUSIVE OF LANDS SOLD FROM PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS)

FOR THE MONTH OF OCTOBER, 1945

OFFICE

Insert Names of Offices —→	P.E.I.	N.B.	N.S.	Total Maritimes
1. No. of applications received by D.O.....	5	7	5	17
2. No. declined.....	0			
3. No. pending.....	2	3	3	8
4. No. approved (Section 9).....	3	4	3	10
(a) Amount approved land and existing P.I. \$	2,315 00	5,800 00	250 00	8,365 00
(b) Amount approved P.I. to be effected.... \$	1,260 00	4,050 00	8,800 00	14,110 00
(c) Amount approved S. & E..... \$	3,400 00	3,950 00	3,600 00	10,950 00
(d) Total acreage approved for sale.....	26.00	71.00	21.00	118.00
(e) Excess purchase price paid by veterans on land & P.I. \$				
5. No. approved (Section 13).....				
(a) Amount approved Rem. of Enc..... \$				
(b) Amount approved P.I. to be effected.... \$				
(c) Amount approved S. & E..... \$				

FROM INCEPTION OF OPERATIONS TO DATE

1. No. of applications received by D.O.....	7	10	12	29
2. No. declined.....				
3. No. pending.....	3	5	6	14
4. No. approved (Section 9).....	4	5	6	15
(a) Amount approved land and existing P.I. \$	3,115 00	5,800 00	3,600 00	12,515 00
(b) Amount approved P.I. to be effected.... \$	1,960 00	6,050 99	9,710 00	17,720 00
(c) Amount approved S. & E..... \$	4,600 00	5,150 00	6,900 00	16,650 00
(d) Total acreage approved for sale.....	126.00	74.00	156.00	356.00
(e) Excess purchase price paid by veterans on land & P.I. \$				
5. No. approved (Section 13).....				
(a) Amount approved Rem. of Enc..... \$				
(b) Amount approved P.I. to be effected.... \$				
(c) Amount approved S. & E..... \$				

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O., copy to each R.O.

SUMMARY OF LANDS APPRAISED AND PURCHASED

(INCLUDES LANDS PURCHASED FOR PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS) OFFICE—OTTAWA, AS AT OCT. 31, 1944

Offices	→	Vancouver	Edmonton	Saskatoon	Winnipeg	Toronto	Montreal	Saint John	Total
FULL TIME FARMING—									
1. Number of properties appraised.....		54	747	887	1,274 00	748	452	685	4,847 00
2. Number declined (low grade—price— or other reason).....		21	154	409	703	370	193	259	2,109 00
3. Number approved.....		34	501	364	491	127	62	340	1,919 00
4. Number actually purchased (title ob- tained).....		21	130	132	173	93	.....	120	669
5. Total acreage purchased.....		3,441.17	38,518.72	39,333.00	47,063.53	9,750.25	.....	14,241.00	152,347.67
6. Total purchase price..... \$		172,250 00	711,320 00	516,207 87	859,620 00	374,850 00	.....	369,655 00	3,003,902 87
7. Average cost price per acre (including existing improvements)..... \$		50 05	18 47	13 12	18 26	38 45	.....	25 94	19 72
8. Total acreage under cultivation.....		2,031.16	27,718.00	27,843.00	34,581.00	7,437.25	.....	7,730.50	107,340.91

SMALL HOLDINGS—

1. Number of properties appraised.....	243	39	10	72	301	57	173	895
2. Number declined (low grade)—price— or other reason).....	93	9	.....	23	118	22	45	310
3. Number approved.....	100	22	10	23	104	14	104	377
4. Number actually purchased (title ob- tained).....	79	19	2	22	72	.....	44	238
5. Total acreage purchased.....	3,199.26	553.95	1.49	459.67	1,603.68	.....	1,105.75	6,923.80
6. Total purchase price..... \$	557,082 30	90,305 00	3,260 00	73,618 37	324,175 50	.....	19,800 00	1,140,281 17
7. Average cost price per acre (including existing improvements)..... \$	174 12	162 86	2,187 92	160 11	202 14	.....	83 00	164 69
8. Total acreage under cultivation.....	2,646.02	373.97	0.90	383.70	1,079.57	.....	423.00	4,907.16

COMMERCIAL FISHING—

1. Number of properties appraised.....	.....	.....	.....	.....	.....	1	5	6
2. Number declined (low grade—price— or other reason).....	.....	.....	.....	.....	.....	.....	1	1
3. Number approved.....	.....	.....	.....	.....	.....	.....	4	4
4. Number actually purchased (title ob- tained).....	.....	.....	.....	.....	.....	.....	1	1
5. Total acreage purchased.....	.....	.....	.....	.....	.....	.....	51	51
6. Total purchase price..... \$	.....	.....	.....	.....	.....	.....	1,200 00	1,200 00
7. Average cost price per acre (including existing improvements)..... \$	.....	.....	.....	.....	.....	.....	23 53	23 53
8. Total acreage under cultivation.....	.....	.....	.....	.....	.....	.....	1	1

NOTE.—To be Prepared by D.O. by Regional Areas monthly. Original to H.O. copy to each R.O.

VETERANS AFFAIRS

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SUMMARY OF LANDS APPRAISED AND PURCHASED

(INCLUDES LANDS PURCHASED FOR PROJECT ACCOUNT AND LANDS PURCHASED FOR IMMEDIATE RESALE TO VETERANS) OFFICE—HEAD OFFICE AS AT OCT. 31, 1945

Offices	→	Vancouver	Edmonton	Saskatoon	Winnipeg	Toronto	Montreal	Saint John	Total
FULL TIME FARMING—									
1. Number of properties appraised.....		461	1,730	1,523	1,506	1,220	1,013	901	8,354
2. Number declined (low grade—price— or other reason).....		124	263	532	855	569	561	335	3,239
3. Number approved.....		285	826	802	839	458	194	470	3,874
4. Number actually purchased (title ob- tained).....		249	423	341	376	287	93	267	2,036
5. Total acreage purchased.....		15,671.99	126,507.49	114,861.00	100,037.68	47,825.62	9,025.00	39,191.25	453,140.03
6. Total purchase price..... \$		870,438.00	2,207,190.00	1,617,644.54	1,917,561.78	1,240,749.71	348,150.00	1,065,906.00	9,267,640.03
7. Average cost price per acre (including existing improvements)..... \$		55.54	17.44	14.08	19.11	25.94	37.00	27.19	20.45
8. Total acreage under cultivation.....		6,415.88	85,892.49	82,996.00	72,928.80	19,927.37	5,351.00	22,086.00	295,597.54
SMALL HOLDINGS—									
1. Number of properties appraised.....		1,251	205	85	136	1,286	358	405	3,726
2. Number declined (low grade—price— or other reason).....		283	14	4	39	295	103	76	814
3. Number approved.....		834	78	56	94	768	113	267	2,210
4. Number actually purchased (title ob- tained).....		749	49	29	96	432	42	175	1,572
5. Total acreage purchased.....		9,614.67	900.66	286.99	827.22	4,823.31	804.00	3,168.00	20,424.85
6. Total purchase price..... \$		1,522,484.43	202,585.00	38,623.50	265,529.03	1,670,844.80	232,071.90	374,142.00	4,306,280.66
7. Average cost price per acre (including existing improvements)..... \$		158.35	225.11	134.57	320.99	346.41	288.00	118.10	210.84
8. Total acreage under cultivation.....		5,589.04	808.78	45.20	568.62	3,740.25	304.00	1,136.25	12,392.14
COMMERCIAL FISHING—									
1. Number of properties appraised.....		7	2	.....	1	4	2	25	41
2. Number declined (low grade—price— or other reason).....		2	.....	.....	.....	.....	.....	1	3
3. Number approved.....		4	2	.....	1	.....	.....	19	30
4. Number actually purchased (title ob- tained).....		3	2	.....	.....	3	.....	9	17
5. Total acreage purchased.....		18.56	10.90	.....	.....	50.00	.....	351.50	430.96
6. Total purchase price..... \$		5,500.00	1,350.00	.....	.....	8,700.00	.....	16,450.00	32,000.00
7. Average cost price per acre (including existing improvements)..... \$		296.33	122.72	.....	.....	174.00	.....	46.79	74.25
8. Total acreage under cultivation.....		5.53	10.16	.....	.....	50.00	.....	86.50	152.19

NOTE.—To be prepared by D.O. by Regional Areas monthly. Original to H.O.; copy to each R.O.

APPENDIX H

VETERANS' LAND ACT, 1942

Construction Schedule

ONTARIO:

Windsor	100	Stratford	8
Chatham	8	Welland	12
Sarnia	8	St. Catharines	20
Niagara	25	Owen Sound	8
London	100	Dunneville	5
Hamilton	100	New Liskeard	10
Toronto	400	Ingersoll	4
Ottawa	100	Lindsay	8
Sault Ste. Marie	30	Oshawa	15
Bowmanville	4	Whitby	5
Woodstock	8	Barrie	8
Brantford	25	Campbellford	10
Port Hope	4	Port Colborne	8
Kitchener	8	North Bay	8
Guelph	8	Sudbury	10
Belleville	8	Cobourg	4
St. Thomas	4	Simcoe	4
Mount Forest	4	Newmarket	8
Galt	4	Port Arthur	12

APPENDIX "I"

PROJECT LANDS NEAR KINGSTON

COUNTY FRONTENAC

Vendor	Legal Description	Acreage	Purchased For	Location
HILL, Henry K.....	Broken Front Lot 9, Con. 1, Twp. Kingston.....	62.2	22,500	Kingston, 4 miles.
CLARK, Harold R.....	Pt. Lot 1, Con. 2, Twp. Kingston, Bounded South by CNR, East by Tarvia Rd.....	15	2,800	Collins Bay, 5 miles west of Kingston
THERIAULT, W. R.....	E. Pt. Lot 24, Con. 2, Twp. Kingston.....	1	400	Kingston, 2 miles

3 other properties in Frontenac County not close to Kingston.

15 November, 1945.

APPENDIX "J"

QUESTION AS TO BREAKDOWN VAN NORMAN DESIGN NO. 6A OF HOUSE—
GRAY SUBDIVISION—NEW WESTMINSTER—

Labour—not including sub-contracts for plumbing, electrical, S. Metal, Painting.....	\$ 929 01
Material, not including plumbing, elec., S. Metal and Painting.....	1,564 87
Plumbing Sub-contract.....	307 72
Electric wiring, etc., sub-contract.....	88 00
Sheet Metal, sub-contract.....	19 85
Painting, sub-contract.....	204 00
Project overhead.....	861 91
	<u>\$3,975 36</u>
Roads.....	200 00
Water system.....	48 00
Heating.....	140 00
Lt. & power.....	20 12
Land.....	215 00
	<u>\$4,598 48</u>

SALE TERMS

Cost to Director.....	\$4,598 48
Sale to Veteran	
Down payment.....	\$ 459 84
Contract, 2/3 of \$4,598.48.....	3,065 65
Monthly payment—Approx. \$15.33 plus taxes.	

Government
Publications

BINDING SECT. JAN 21 1980

Government
Publications

